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LAST ISSUE

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LAST ISSUE

East Europe

FBIS-EEU-96-159
Thursday
15 August 1996

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Daily Report
East Europe

FBIS-EEU-96-159 *15 August 1996*

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Balkans: Balkan Leaders To Issue Statement on Talks

AU1408172796 Paris AFP in English 1721 GMT 14 Aug 96

[FBIS Transcribed Text] Geneva, Aug 14 (AFP)—Bosnian president Alija Izetbegovic and his Croatian counterpart Franjo Tudjman signed a joint statement here Wednesday pledging to dissolve the hardline Croat mini-state in Bosnia that is undermining Moslem-Croat relations.

They said they had "agreed to implement immediately the necessary steps to dissolve the Croat republic of Herzeg-Bosnia institutions and to merge those functions into the appropriate ministries of the (Moslem-Croat) federation.

"In addition it is agreed that simultaneously the appropriate functions of Bosnia-Herzegovina will be merged with federation institutions in accordance with the Dayton agreement."

The statement was issued after Izetbegovic and Tudjman held talks with US Secretary of State Warren Christopher here.

High Representative Carl Bildt, who is overseeing the implementation of the Bosnia agreement, said Izetbegovic, Tudjman and Serbian President Slobodan Milosevic, who was also in Geneva, would issue a statement later outlining measures to set up joint institutions in Bosnia after the country's first post-war general elections, set for September 14.

Christopher was to brief the press later Wednesday on his talks with the three Balkan leaders.

Balkans: Tudjman Statement on Geneva Talks

LD1408175096 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 14 Aug 96

[Statement by Croatian President Franjo Tudjman on the 14 August Geneva talks; in Geneva on 14 August—recorded]

[FBIS Translated Text] Well, this was really one of the most important meetings, in view of the fact that elections are to take place in Bosnia-Herzegovina in one month's time. Christopher appealed to all those present—and the others who represented Europe, NATO, and so forth, also appealed to us—to facilitate and ensure the holding of these elections. We repeated the Croatian standpoint that, after these elections, we favor the true revitalization of the Washington and Dayton agreements on the establishment of the federation and the creation of preconditions for a new order in terms of a Bosnia-Herzegovina composed of two entities and its constituent peoples. This is also a precondition for a lasting peace.

In our talks with Mr. Christopher, we also dealt with the issue of the peaceful integration of Croatian Podunavlje [eastern Slavonia]. We repeated our view that there can be no extension of the mandate for another year or six months, as is being demanded by some on the Serb side. There is no reason for this. Some say that it is not possible to hold the elections there on 15 December, as envisaged in the resolution on the establishment of UN Transitional Administration in Eastern Slavonia [UNTAES].

We replied: How can the elections be held next month in Bosnia, in far more complex circumstances, when they apparently cannot be held in December in Croatian Podunavlje. Apart from this, I also pointed out that for Croatia it is unacceptable that it has to bear the costs of the interim administration, while, on the other hand, 80,000 refugees, who are on the threshold of a return to their homes, cannot return. I again impressed upon the United States and Europe that an extension of the mandate is unacceptable.

[Studio announcer] Was any pressure put on the Republic of Croatia? a journalist asked.

[Tudjman] None at all. We just had the talks that I mentioned. As far as the oft-mentioned pressure is concerned, it should be underlined that at all of these meetings all of these representatives of the United States, Europe, and others stress the constructive role played by Croatia.

Clearly, we say that we are ready to make a further contribution to the resolution of the crisis but that we cannot forget important national and state interests of the Croatian nation as a whole, the Croatian republic and the Croat people in Bosnia-Herzegovina, because Croatia has promised that the Croats will agree to the federation but on the condition that Croatia guarantees their full equality within the federation.

[Studio announcer] It seems that a certain success has been achieved during the talks with the Bosnia-Herzegovina delegation.

[Tudjman] Well, you see, a true success has been achieved with Izetbegovic, and this is reflected in the joint statement. And this was after a lengthy and I would say, to put it diplomatically, frank discussion with the Bosnian Muslim delegation as a whole, in which we had very different approaches and also internal disagreements.

So, President Izetbegovic and I agreed that we support the full implementation of the Washington and Dayton

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agreements, and, in this connection, by the end of this month, authority must be transferred from the central authorities to the federation and, likewise, from the Croat republic of Herzeg-Bosnia to the federation. So, both things—the central authorities and the authorities of the Croat republic of Herzeg-Bosnia—will cease to function so as to allow the federation to function as envisaged.

At the same time, full support should be given to ensure that the elections are held. They will not be held in the most ideal conditions, but they are necessary for the establishment of central authorities in Bosnia-Herzegovina and in the federation as envisaged.

[Studio announcer] President Tudjman then ended his visit to Geneva and departed for Croatia.

Balkans: Report on Milosevic-Christopher Talks in Geneva

LD1408175296 Belgrade TANJUG in English 1738 GMT 14 Aug 96

["Pool" item]

[FBIS Transcribed Text] Geneva, Aug. 14 (TANJUG)—Serbian President Slobodan Milosevic and U.S. Secretary of State Warren Christopher discussed Wednesday all aspects of a consistent implementation of the Dayton accords, with focus on preparations for the upcoming elections in Bosnia.

It was stressed in the talk, at the U.S. U.N. mission, that utmost efforts must be invested to secure all conditions for the elections, including the full equality of all participants in the electoral process.

The two sides said they would do everything to prevent any moves which would threaten the election-campaign process and the elections themselves.

Within the exchange of views on bilateral issues, Milosevic and Christopher said the full normalization of relations between Yugoslavia and the U.S., especially at the economic level, would be a major factor of an overall resolution of problems in the Balkans.

The steps taken to date for the full normalization of Yugoslav-U.S. relations and the intensification of their dialogue at a high political level were applauded.

Interest was shown in the resumption of the dialogue in the interest of the promotion of the bilateral cooperation.

The meeting was attended also by Yugoslav Foreign Minister Milan Milutinovic.

Balkans: Radio Reports on Course of Geneva Summit

AU1408141696 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 14 Aug 96

[Report by Mirza Huskic from Geneva]

[FBIS Translated Text] U.S. Secretary of State Warren Christopher met with the presidents of Bosnia-Herzegovina, the FRY, and Croatia in Geneva today. Mirsa Huskic reports on the current course of the Geneva summit:

[Huskic] In the talks between U.S. Secretary of State Warren Christopher—who was accompanied by General George Joulwan, commander of the NATO joint forces; OSCE Chairman Flavio Cotti; Ambassador Robert Frowick, head of the OSCE mission in Bosnia-Herzegovina; U.S. envoy John Kornblum; and John Menzies, U.S. ambassador to our country—and Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina—who was accompanied in the Bosnia-Herzegovina delegation by Ejup Ganic, member of the Presidency; Prime Minister Hasan Muratovic; Foreign Minister Jadranko Prlic; and Ambassadors Muhamed Sacirbegovic and Kasim Trnka—the two sides said that the implementation of the Dayton agreement is at a critical stage. They insisted in particular on the completion of the functions of the Federation of Bosnia-Herzegovina and the abolition of the Herzeg-Bosnia parastate.

Gen. Joulwan stressed that IFOR will carry out its mandate in providing and securing a safe environment for holding the coming elections. Mr. Alija Izetbegovic, president of the Presidency stressed that the IFOR troops' safety will be fully guaranteed in the territory under the control of the legal authorities of the Republic of Bosnia-Herzegovina.

In this context, they also discussed the coming elections and the freedom of the media, especially during the preelection campaign. Special attention was also devoted to the setting up of the organs of authorities of Bosnia-Herzegovina. Mr. Izetbegovic [words indistinct] after the announcement of the September election results.

After the working lunch, [words indistinct] our delegation, led by President Izetbegovic [word indistinct] with Mr. Christopher, the Bosnia-Herzegovina, Croatian, and Yugoslav delegations will hold bilateral meetings.

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Albania: Berisha Decrees Composition of Central Election Commission

AU1408140696 Tirana ATA in English 0917 GMT 14 Aug 96

["Announcement of President's Press and Information Office"—ATA headline]

[FBIS Transcribed Text] Tirana, August 13 (ATA)—The Press and Information Office close to the President of the Republic reports that the President of the Republic, by Decree 1,579, dated August 13, 1996 "On the Composition of the Central Electoral Commission of the Republic of Albania," decreed today the composition of the Permanent Central Electoral Commission.

According to the decree, the Permanent Electoral Commission will have 17 members.

Its presidency (chairman, deputy chairman and secretary) is proposed by the Council of Ministers. The chairman and the deputy chairman will belong to the university academic circles, while the duty of the secretary will be carried out by the head of the Elections and Referendums Organization Department at the Local Government State Secretariat.

The other seats of the Commission members will be equally shared by the political parties of the government coalition and the opposition, in accordance with the results of the local elections.

A special article of this decree envisages changes in the interparty relations according to the local elections results and the political position of the respective parties (government coalition or opposition).

On the same day, the President of the Republic by Decree 1,580, August 13, 1996 "On appointing the Central Electoral Commission of the Republic of Albania," appointed the Presidency and the members of the Permanent Electoral Commission. The Presidency of the Central Commission is composed of:

1. Nestor Thereska—Chairman

2. Pellumb Cela—Deputy Chairman

3. Fiqiri Kupe—Secretary

Taking into consideration the proposals submitted to the Presidency by 19 political forces and the latest local elections results, the President of the Republic appointed members of the Commission:

1. For the Democratic Party

—Eva Karagjozi

—Hysen Osmani

—Paskal Xallufe

—Arben Xhiku

2. For the Republican Party

—Shkelqim Barushi

3. For the Christian-Democratic Party

—Marenglen Gjonaj

4. For the Social-Democrat party

—Behar Gjoka

In the group of the representatives of the opposition parties, members of the commission, the President of the Republic appointed for the Human Rights Union Party:

—Jorgji Vllaho

In accordance with Decree 1,579, dated August 13, 1996, which allows political parties to make proposals for members of the Central Electoral Commission no later than 15 days before the elections day, the President of the Republic set 4 seats in the Central Commission for the Socialist Party, one for the Social-Democratic Party, and one for the Agrarian Party.

Meanwhile, the spokesman of the President of the Republic reports that the opposition parties: The Human Rights Union Party, Balli Kombetar [National Front] Party, the National Unity Party, and the Legaliteti [Legality] Movement Party have to propose additional candidatures for the Central Electoral Commission because it belongs to these parties to have members in this commission if the Socialist Party, the Social-Democratic Party, or the Agrarian Party, for some reason, do not wish to be represented in the Central Electoral Commission.

Albania: PS Criticizes New Permanent Electoral Commission

AU1408150096 Tirana KOHA JONE in Albanian 14 Aug 96 p 3

[Article by A. Pati: "The Socialist Party: We Do Not Recognize the Commission"]

[FBIS Translated Text] The Socialist Party [PS] has reacted immediately to President Berisha's decree appointing the Permanent Electoral Commission. PS Deputy Chairman S. Pellumbi said only a few hours ago that his party does not approve of this commission appointed by Berisha, adding, "If our demands for free and fair elections are not met, and one of these demands is for an impartial electoral commission with equal numbers of members from the government parties and the opposition, the PS will not take part in the local elections."

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"We cannot take part in a commission in which the balance is 10 to seven in the government's favor because the Democratic Party has the chairman, deputy chairmen, and secretary in its hands," calculated Pellumbi. According to Pellumbi, a scheme similar to that of 26 May is being planned for 20 October. "The pattern will be extended to the commissions at other levels. This was the mechanism for the vote-rigging on 26 May, and thus, we cannot accept a commission of this kind," Pellumbi said yesterday. The Socialist deputy chairman said that his party also objects to the commission's chairman, Nestor Thereska, who was also a member of the Central Electoral Commission of 26 May. "The appointment of Thereska, who bears responsibility for the violence and the theft of the people's votes on 26 May, is entirely absurd and intolerable. He should not be given the honor of becoming chairman of the Central Electoral Commission," Pellumbi said, giving his final reason why the PS is not sending its own members to the commission. Pellumbi repeated again yesterday that the PS will not subject its electorate to another electoral farce and that the Socialists will hold fast to this stand.

Albania: PD Notes Continuation of PS 'Boycott Policy'

AU1408133396 Tirana ATA in English 0905 GMT 14 Aug 96

[Report by A. Frasheri]

[FBIS Transcribed Text] Tirana, August 14 (ATA)—"The Socialist Party [PS] is continuously falling under the dictate of some small political parties, which have no really political influence in the Albanian policy, which are to be doubted if they are or not really political parties," said the Democratic Party [PD] Deputy Chairman Ali Spahia after the PS's refusal for talks with the PD.

The PS Deputy Chairman Namik Dokle said that "The PS refuses to talk with the PD because it has not considered the PS's proposals about organisation of the round table as agreed in the previous PS-PD bilateral talks."

Spahia considered the PS continuous refusal to discuss with political parties "a continuation of the boycott policy the socialist opposition is following."

Different political analysts think the PS's fail to attend the political parties meeting of August 19 will heavily impair its political image.

Albania: Christian-Democratic Head Responds to PBSD Accusations

AU1408140496 Tirana ATA in English 0906 GMT 13 Aug 96

[FBIS Transcribed Text] Tirana, August 13 (ATA)—The chairman of the Christian-Democratic Party of Albania [PDK], Zef Bushati, replies to the chairman of the Social-Democrat Union Party [PBSD], Teodor Laco, regarding the participation of this party in the government.

The newspaper KOHA JONE says that Bushati has sent a letter to the chairman of the Democratic Party [PD], Tritan Shehu, through which he asks that "the PBSD pulls out of the government coalition" and claims that this party's place in the government belongs to the PDK.

"I cannot but restate that the party of Teodor Laco is a left one and his natural allies are the Socialist Party and the Social-Democrat Party," Bushati says in his reply, adding that: "The left-right mixture is a solution yielding no results in Europe."

This reply comes after Laco considered absurd Bushati's claim that the PBSD, as a left wing party, should not take part in the government coalition.

Albania: Berisha 'Trying To Scare the West With Islam'

AU1408170496 Tirana KOHA JONE in Albanian 14 Aug 96 pp 3-5

[Article by Emin Barci: "Berisha Scares the West With Islam"]

[FBIS Translated Text] "Under our present circumstances and the government's relations with the West, I can say that Berisha is trying to scare the West with Islam," said Democratic Alliance leader Neritan Ceka about the government's approval of the agreement on investments of the Islamic Conference. Social-Democratic Party Deputy Chairman Paskal Milo called it "a return to the old, stagnant, and polluted waters of the politics of the fall of 1992, when Berisha and his closest aides almost secretly went to Jeddah and signed membership to the Islamic Conference." Last Monday [12 August] the government approved in principle an agreement on investments with the Islamic Conference. Faced with the official figures of economic relations between Albania and the countries of this conference, one realizes that Islamic investments are peanuts compared to the total investments from Europe and the United States. Official data show that during 1995 Albania imported from all the countries of the Islamic Conference put together goods amounting to 2,752 million leks, or the same as from Germany alone.

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Neritan Ceka explains the regime's reviving Islamic dream thus: "After its confrontation with the United States, the clique leading Albania today has tried to create political tension in order to scare the West, so that the West will give its demands for a restoration of democracy in Albania." [sentence as published] Opposition leaders, looking at the actual figures from four years of membership in the Islamic Conference, call the publication of the agreement with the Islamic world a spectacular step. "I think that in this climate the publication of an overall agreement with the Islamic states is a propaganda measure," Ceka says bluntly. While exposing this propaganda move on the part of the government, the Center Pole leaders also look with hindsight at the relations between Albania and the Islamic Conference.

Professor Paskal Milo says, "I can say for the first time something that I have long known, that Serreqi, when he signed membership to the Islamic Conference at Jeddah, spoke not like the foreign minister of a Balkan, European, and secular state, but like the foreign minister of an Islamic sultanate, issuing emotional appeals to Allah and our Islamic brothers." He calls on the Albanian authorities to publish the speech Serreqi made at Jeddah in the autumn of 1992. "If Berisha and his government have recently relied heavily on playing the card of Albania's European integration, let them have the courage to publish the foreign minister's speech at Jeddah, and we can then see the extent of the danger in which Albania involved itself at that time," Milo emphasizes.

Neritan Ceka, the bitterest opponent of Albania's membership to the Islamic Conference, assesses our four years with Islam thus: "The connection with the Islamic Conference has had only one success, and that is in copying these countries' political system."

Most of the Islamic Conference's member states are democracies in a formal sense, but are authoritarian countries ruled by populist policies. If the present Albanian ruling clique has succeeded in importing anything from these countries, it is their political system. The Social-Democrat Milo sees that Albania has profited from the Islamic Conference only in the proliferation of minarets: "The Albanians had great hopes that a few drops of these countries' plentiful oil would fall on Albania, but instead of this all we can see are minarets sprouting like mushrooms, and I think this is the greatest contribution that the Islamic countries have made." Milo adds, "I am not against the Arab peoples and their religious beliefs, but I am against the use of politics and interstate relations for religious purposes." Ceka says he is in agreement with bilateral state relations with all the Islamic countries, but not with the Islamic Conference.

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Czech Republic: Klaus's Idea of ODA-ODS Merger Called Naive

AU1408172596 Prague LIDOVE NOVINY in Czech 14 Aug 96 p 2

[Article by "CTK, sa": "ODA Refuses Merger With ODS"]

[FBIS Translated Text] Civic Democratic Party [ODS] Chairman Vaclav Klaus sees a merger between the Civic Democratic Alliance [ODA] and the Civic Democratic Party [ODS] as the only chance to obtain 40 percent of the votes for his party. That is what he said in an interview with Czech Radio in reaction to the statements by Josef Zieleniec, who believes that the ODS could attract more voters by a "broader range" in the political spectrum. "I do not consider it (the gain of 40 percent) possible while there are two parties of the civic-democratic type, which share some features. I can imagine winning 40 percent if there were just one party. By this, I do not mean in any way to prod or provoke ODA, but, from my vantage point, I say that there would be a chance if there were only the ODS," Klaus said. At the same time, the ODS chairman said that, if such a merger succeeded and the political spectrum were cleaned, with five parties remaining here with clearly different ideological stands, he could imagine the ODS obtaining 40 percent of the votes. "As long as there are 20 or 25 parties, it seems to me very difficult for one party to win 40 percent," Klaus observed. ODA Chairman Jan Kalvoda described yesterday statement by Klaus regarding the merger between the ODS and ODA as politically naive. To look for means to pacify internal tensions within one party in a merger of two political parties, or to even see it as a tool to obtain an unprecedented 40 percent of voter support seems to him completely separated from political reality. According to Kalvoda, "except for occasional longing on the part of the media" for a simplification of the political scene or for a merger with the objective of obtaining a larger voter basis because of the integration, ODA has not been contacted. A political party passing through a tumultuous discussion concerning its move on the imaginary line representing the political spectrum should concentrate on the problems of that type rather than contemplating a merger with another political entity.

Chamber Deputy Chairman Jiri Honajzer (ODS) expressed doubt yesterday that, at the end of the 20th century, a party could cover such a "broad range" as to address more than 40 percent of voters without losing a "certain ideological compactness." On the other hand, Miroslav Macek, a member of the ODS Executive Council, believes that a merger with ODA is not necessary for the ODS to obtain 40-or-more-percent support. The voters would be more readily convinced by a high-quality election program, high-quality candidates, and a perfect everyday policy of the ODS.

Czech Republic: ODS Figure Encourages 'Plurality at all Levels'

AU1408154296 Prague MLADA FRONTA DNES in Czech 5 Aug 96 p 4

[Interview with Josef Zieleniec, Civic Democratic Party deputy chairman and foreign minister, by Jiri Leschtina in Prague on 4 August: "The ODS Should No Longer Have Just a Single Voice, Zieleniec Says"]

[FBIS Translated Excerpt] Prague—For Josef Zieleniec, Civic Democratic Party deputy chairman, the result of his party in this year's elections is a disappointment and a failure, and the reasons for it must be sought, above all, in the party itself. "I consider it a failure that we did not get many more votes than in the past elections. The Civic Democratic Party [ODS] is a party that has always had ambitions to be the decisive force on the political scene. From this vantage point, our position has worsened significantly," Zieleniec said.

[Leschtina] According to the Factum agency, 40 percent of respondents are convinced that the result reflects the excessive arrogance of the ODS and its chairman. Do you agree?

[Zieleniec] The outcome of the elections is linked to profound processes, which cannot be personified like this. On the other hand, it is true that our party has spoken in the past too much in a single voice, and sent only a very narrow and definite message. It was very important in the first years of the existence of the ODS to appear unified. The latest elections demonstrated, however, that it may already be too late for the party to show a more open and friendlier face. We cannot avoid having different opinions voiced in the party in the future. It is time to say that a large party trying to address most citizens does not have to have just a single opinion on every issue.

[Leschtina] It has been obvious even in the past that Deputy Chairman Vlach, for instance, holds a different opinion on the emergence of regions than Chairman Klaus.

[Zieleniec] Nevertheless, deeper party discussions were an exception and did not have a public character. I am convinced that the ODS policy can no longer be formed from above but should stem from political disputes and plurality at all levels. I can imagine that in the party I have in mind—and I wish the ODS becomes such a party—different currents of ideas could exist

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next to one another without one group damning another one. It would be possible for people with different life philosophies, somewhat right-of-center, to work and openly proclaim their beliefs in such a party.

[Leschtina] Can you also imagine real factions forming within the ODS, which are common in the strong Western parties?

[Zieleniec] I do not have the feeling that such institutionalizing is a necessary consequence of the plurality of opinions. Nevertheless, it would not scare me. Such a difference of opinion does not weaken a party but, on the contrary, strengthens it. [passage omitted]

[Leschtina] Is such a development in the ODS possible, however, under the leadership of Vaclav Klaus, for whom an idea of party factions is completely alien?

[Zieleniec] We simply do not have any other option. If the ODS is to continue playing the decisive role on the Czech political scene, it must manage to address at least 40 percent of the voters. If we hold on to the idea of the ODS speaking always in a single voice, we cannot ever achieve this goal; on the contrary, we will start our decline. [passage omitted]

[Leschtina] You are, in fact, under the impression of the outcome of the elections, suggesting a correction to the ideological orientation of the ODS. Do you intend a rehabilitation of the social market economy for the right wing and, thereby, complete erasure of the border between the opposition and the government coalition?

[Zieleniec] It is not a matter of a correction of the orientation but, rather, of a wider range in the orientation from the center to the right, which would be facilitated precisely by the existence of the current of ideas within the ODS.

[Leschtina] Why did you not attempt to push the value aspects of politics or a more self-critical tone into the ODS election program?

[Zieleniec] One person cannot do that. Such a policy must emerge from within the party, from a party political discussion. Unfortunately, such a process practically does not exist in the ODS. There are no expert commissions discussing various aspects of politics. There is neither political nor personal pressure on the party leadership. Nobody, metaphorically speaking, breathes down the necks of our ministers in an attempt to push through his ideas or ambitions. The end result is that the party program was written in the ministerial offices rather than on the platform of expert party groups. [passage omitted]

[Leschtina] You are calling for the creation of opinion platforms within the ODS. According to Milos Zeman, a "rational wing of Josef Zieleniec" already exists. Can you tell us about your faction?

[Zieleniec] You must ask Milos Zeman about that. His dream is to split the ODS. It does not c[illegible] as a surprise because we are his biggest political [illegible]petition. For myself, I believe that the ODS under the chairmanship of Vaclav Klaus will not let Zeman's party get to power for a long time to come.

[Leschtina] Nevertheless, even some other protagonists in the postelectoral talks indicated that the government of the prime minister of consensus, Zieleniec, would be acceptable for them. Do you have such ambitions?

[Zieleniec] No, I do not, and I would not accept anything like that.

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Slovakia: Parties Discuss Integration Into Europe, NATO

LD1408153396 Prague Radiozurnal Radio Network in Czech 1300 GMT 14 Aug 96

[FBIS Translated Text] The talks of political parties are continuing in Bratislava. SVOBODNE SLOVO editor Renata Havranova reports:

[Havranova] The Social Democratic Party of Slovakia [SDSS] is initiating the possible roundtable talks of all the parliamentary parties. The discussion should concern the current position of Slovakia in attempts at integration into the European structures and NATO.

The SDSS representatives met today representatives of the Christian Democratic Party [KDH]. KDH Chairman Jan Carnogursky has said that he was skeptical about the attempts at improving the image of the Slovak Republic. In his view, the government coalition cannot be trusted in its relations with the above-mentioned European and transcontinental organizations.

Brigita Schmoegnerova, deputy chairman of the Party of the Democratic Left [SDL], confirmed today that Prime Minister Vladimir Meciar had asked the representatives of this party to meet him, but that they had rejected his appeal. Meciar was allegedly to explain why he did not fulfill his written pledge, which was given to the SDL during the recent government crisis, that privatization would not continue until the September parliamentary session. The left-wing party has not accepted the prime minister's request, allegedly, also because it has transpired that the Movement for a Democratic Slovakia has a kind of a blacklist of people whom it is intending to ignore. They include, according to unconfirmed sources, Brigita Schmoegnerova, Peter Weiss, Milan Ftacnik, and others.

The SDL is still insisting on its demands for a reorganization of all the parliamentary bodies at the next meeting. It wants the opposition to be represented in parliament, including the National Property Fund, the secret service, and the Slovak TV Council.

The representatives of the opposition parties said today that the postponement of the meeting between Prime Ministers Meciar and Horn, which had been due to take place yesterday, had harmed yet again the name of Slovakia abroad.

Slovakia: Commentary Views Postponement of Meciar-Horn Meeting

AU1408172696 Bratislava SME in Slovak 14 Aug 96 p 4

[Commentary by Ivan Horsky: "Much Ado About Nothing!"]

[FBIS Translated Text] It had seemed for two days that a new breakthrough was on hand in the arena of Slovak-Hungarian relations. But, in the end, nothing came of the much anticipated Meciar-Horn meeting because they sounded the retreat. Although they were very diplomatic in Budapest in this regard, in view of Horn's precursory statements, we are perhaps justified in assuming that this very necessary meeting did not take place because of the Slovak side.

It is hard to seek the motives behind why Vladimir Meciar decided what he did. His office has not even bothered to explain why the unofficial summit was postponed until a later date. The possible explanation that this has happened on account of the finalization of the Hungarian-Romanian basic treaty does not pass muster. That is, Slovakia already has such a document safe and dry with its neighbor, and the two sides have to resolve the burning issues in their mutual relations regardless of third parties.

Rather, it is possible to state that such a course of action is typical of the Slovak prime minister. Not for the first time, when things were getting too hot for him, he preferred "to go bear hunting" rather than enter into the lion's den (namely, as in the case of Crans Montana and others). Incidentally, it is also not quite normal for the prime minister of a sovereign state not to tell its citizens, including his own voters, where he is going on vacation. This merely increases the possibilities for all sorts of speculation.

In any case, it is a pity to waste the chance to clear up the many contentious issues in Hungarian-Slovak relations. These are not insubstantial because, in many ways, the much discussed national-state interest, including the Euro-Atlantic aspirations, depends on this. Especially for Slovakia, which slowly, but surely, as opposed to Hungary, is sliding into the second league of applicants.

Nevertheless, even despite a considerable degree of schadenfreude, Budapest cannot be utterly indifferent. That is, the orientation of the neighbor on their northern border and what they can expect from it in the future cannot be of no concern to the Hungarians. Not only in connection with the issue of the minorities.

The paradoxical circumstances of the Meciar-Horn meeting are reminiscent of the title of Shakespeare's

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comedy "Much Ado About Nothing." But, because this is a serious matter, maybe we should incline toward naming at least two of his tragedies: "Hamlet" or "King Lear." There is also no doubt about who is in the main role.

Slovakia: Government Accuses Daily of Meciar 'Fabrication'

AU1408145696 Bratislava SME in Slovak 14 Aug 96 p 1

[TASR report: "The Government Office About Meciar, SME About the Slovak Government Office"]

[FBIS Translated Text] Bratislava—"The Press and Information Department of the Slovak Government Office declares that the information carried in the article by Michal Berko entitled 'How Will Meciar Solve the Crossword' and published by the daily SME/SMENA, according to which Prime Minister Vladimir Meciar spent his vacation in Russia, is a fabrication and a deliberate lie."

"The Slovak prime minister spent this year's summer vacation in the Slovak Republic. For this reason, all of the views put forward by M. Berko, which proceed from expedient disinformation about where V. Meciar stayed during his vacation, are absurd speculation and are an evident violation of elementary professionalism in journalism," says the statement, which was provided to TASR by Slovak Government Spokeswoman Ludmila Bulakova.

SME's point of view: This is the reaction to an article published in yesterday's edition of SME. In our opinion, Mrs. Bulakova is constantly pressed for time and does not manage to read the articles about which she issues statements. She did not manage to announce on time where Mr. Meciar spent his vacation; she did not manage to express herself factually on the postponement of the meeting between the Slovak and Hungarian prime ministers; and she did not even manage to read the daily SME. We did not claim yesterday that Prime Minister Meciar had been on vacation in Russia, we merely stated that certain sources are talking about this and we wondered what it could mean if he had been there. We have no reason to change anything. We believe that, in accordance with the example set by the United States, Germany, Austria, the Czech Republic, and many other countries, Slovak voters should also be informed officially of where their prime minister is spending his vacation. It cannot be ruled out that Mrs. Bulakova will also manage one day to familiarize herself with the laws valid in this state and manage to use her vocabulary in accordance with them. And, even before this, will manage to ask the prime minister how he contrives to accuse his former deputy of accepting a bribe amounting to several million dollars, the president of committing a crime, journalists of raking in money from abroad, and so on. Incidentally, as they have not found the time in either the Slovak Government Office or in TASR to read the article published in yesterday's SME, let us cite its real title: "How Will Meciar Solve Kohl's Crossword?" We declare that we did not actually inquire whether Meciar was solving a crossword "in the Slovak Republic."

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Hungary: Defense Minister on MiG, Westinghouse Affairs

LD1508103396 Budapest Kossuth Radio Network in Hungarian 0600 GMT 15 Aug 96

[FBIS Translated Text] Although there will be no dismissals in the wake of the investigation into the MiG affair, there will certainly be a calling to account of those responsible, Defense Minister Gyorgy Keleti told VILAGGAZDASAG. As is known, the Hungarian Air Force participated in a military exercise in Poland earlier in the year without the permission of parliament.

The minister said that regarding the so-called Westinghouse affair, he did not wish to name anybody for the time being, adding that the ministry wanted to create fair competition in the field of military purchases from now on. In the submission of tenders for new radar systems for the Hungarian Army, the U.S. Westinghouse Company violated the neutrality of the competition because the ministry prepared a survey of Hungary's air defense system together with the staff of the Hungarian Army. This was ascertained by the Hungarian parliamentary committee set up to investigate the affair.

The defense minister told NEPSZABADSAG that civil supervision of the Army was increasing. According to Keleti, there will be enough money for running the Army, and the new conscripts will be given thorough training.

Hungary: Hungarian, Romanian Officials Assess Treaty

LD1408162496 Budapest Kossuth Radio Network in Hungarian 1400 GMT 14 Aug 96

[FBIS Translated Text] The text of the Hungarian-Romanian basic treaty has been drafted. This was announced at a news briefing held in Bucharest today. Tibor Bogdan reports:

[Begin recording] [Bogdan] As a result of talks in Bucharest between Ferenc Somogyi, Hungarian foreign affairs state secretary, and Marcel Dinu, Romanian foreign affairs state secretary, the text of a Romanian-Hungarian basic treaty is ready and requires only minor adjustments. This was announced by the two state secretaries at a Bucharest news briefing in the following way:

[Somogyi] Agreement has practically been reached on the text of a basic treaty. The tasks which remain to be done do not affect the fate of the basic treaty. I do not think there is any further obstacle to the conclusion of the basic treaty.

[Bogdan] The Romanian side said the same in the following way:

[Dinu, in Romanian with superimposed Hungarian translation] We have achieved significant progress. The text has practically been finalized at the expert level.

[Bogdan] The sides also agreed that the text would be honed by experts in Budapest next week, also comparing the Hungarian and Romanian versions. The two state secretaries said that all this would not change the essence of the text and could not hinder the process of signing the basic treaty.

Following this, the text is expected to be submitted to the two governments as early as this month and, as Somogyi stressed, the treaty might be signed in September.

Regarding the Council of Europe's Recommendation 1201, Somogyi added that the joint interpretation of the text has been achieved as a result of a compromise, in which the Hungarian side did not give up, even for a moment, its consistent position, philosophy, and approach. Referring to the Romanian position, the same was confirmed by his Romanian counterpart.

The Hungarian state secretary said the following about the main point of the compromise:

[Somogyi] The key to the solution was to lay down what Recommendation 1201 does not deal with, in both a positive and negative sense.

[Bogdan] Finally, the two state secretaries said that they also dealt with a partnership agreement and a political declaration which are part of a reconciliation package. Discussion of them will be continued in Budapest. The major part of the text of the political declaration is also ready. For the time being, there will be no talks on a minority code of conduct, because the basic treaty, as a higher level document, practically includes its content. [end recording]

Hungary: Ministry Official Discusses Hungarian-Romanian Treaty

LD1408215296 Budapest Kossuth Radio Network in Hungarian 1630 GMT 14 Aug 96

[Interview with Ferenc Somogyi, state secretary at the Hungarian Foreign Ministry, by reporter Levente Sukosd at Ferihegy Airport "a few minutes ago" on his return from Bucharest—recorded]

[FBIS Translated Excerpt] [Sukosd] The first reactions from Hungarian opposition parties, as well as from the Hungarian Democratic Union of Romania [UDMR], were not too encouraging. Did you expect that?

[Somogyi] There were signs that some lack of understanding could be expected. It is, of course, unnecessary

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because I think that if anyone reads this document carefully they will find that no better document could have been achieved in the present circumstances. [passage omitted]

[Sukosd] Can different interpretations of Recommendation No. 1201 of the Council of Europe be avoided?

[Somogyi] I think that here different interpretations are practically impossible because the Romanian doubts, which kept delaying agreement for a long time, have now been dispelled with this solution. One can like or dislike the wording of Recommendation No. 1201 but it remains a fact that no collective rights or special status regarding territorial autonomy are included in the document.

[Sukosd] That is exactly the difference between the Hungarian Government's former position and this joint compromise position, because earlier the Hungarian Government gave firmer support to various autonomy forms. [passage omitted]

Can these forms of autonomy be implemented according to the final text?

[Somogyi] Here we can speak about two related but separate issues. The Hungarian starting position, which we have consistently asserted in the past and have also managed to assert this time, has been that all relevant European documents should be incorporated into the basic treaty in such a way that the obligations included in them—and not just thought to be included—should become legally binding as a result of this treaty, since previously these documents were about the undertaking of political obligations.

The other thing is that the government's program, the foreign policies it has pursued, and every statement it has issued say that the government supports the autonomy endeavors which are in line with European norms. Such a basic treaty does not contradict this since it does not address these autonomy endeavors either in a positive or a negative sense simply because the document does not mention them.

[Suskosd] Yes, but it seems that earlier the Hungarian Government wanted the idea of autonomy to appear in the basic treaty at the request of Hungarian organizations beyond the borders. Could this be a concession on the Hungarian side that this is not mentioned in the final text? [passage omitted]

[Somogyi] The mention of autonomy was a possibility in the whole process of the negotiations. At the same time, the concept which defined the Hungarian position in every basic treaty—not only the Hungarian-Romanian treaty but also the Hungarian-Slovak treaty—was that having realistically examined the situation, the government came to the conclusion that the minimum of the rightful Hungarian demands and the currently achievable maximum are exactly the same as the system of norms and principles which are stated in international documents.

[Suskosd] The Hungarian negotiating delegation was in a stressed situation since the European norms which we usually refer to are very general and do not outline autonomy forms or support them. I assume this is why you had to compromise.

[Somogyi] I stress once again that we did not compromise. It is a fact that, unfortunately, the regulations on minority issues are rather incomplete in Europe. I consider the current text of the Hungarian-Romanian basic treaty a good result because it turned the originally political obligations of every relevant document found today in Europe and in the world into legal obligations.

Hungary: Opposition Parties Anxious About Treaty With Romania

LD1408182596 Budapest Kossuth Radio Network in Hungarian 1600 GMT 14 Aug 96

[FBIS Translated Text] The news that the text of the Hungarian-Romanian basic treaty has been finalized on an expert level and the document can be signed in the first half of September has been received with anxiety in the opposition. Nearly every deputy urged caution, while referring to the Hungarian-Slovak basic treaty.

Tamas Isepy, leader of the parliamentary deputies group of the Christian Democratic People's Party, recalled that the signing of the treaty had been followed by a series of measures against the ethnic Hungarians in Slovakia.

Fidesz—MPP [Federation of Young Democrats-Hungarian Civic Party] insists that Recommendation No. 1201 of the Council of Europe should be fully included in the treaty. According to Zoltan Rockenbauer [Fidesz deputy], any treaty that can be interpreted in a variety of ways does more harm than good.

Geza Jeszenszky, deputy of the Hungarian Democratic People's Party, said he would welcome a good treaty, but that would only be possible if the Romanians guaranteed language, education, and self administration rights to the ethnic Hungarians and put an end to the anti-Hungarian campaign.

Until racial discrimination against Hungarians is eliminated with European guarantees, the signing of any treaty will be regarded as treason and anti-Hungarian complicity, Agnes Nagy, nee Maczo, deputy chairwoman of the Independent Smallholders' Party, said.

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Hungary: Fidesz Reservations About Treaty With Romania

LD1508111496 Budapest Kossuth Radio Network in Hungarian 1000 GMT 15 Aug 96

[FBIS Translated Text] Fidesz [Federation of Young Democrats-Hungarian Civic Party] has serious reservations concerning the approved draft of the Hungarian-Romanian basic treaty. The party is willing to support the basic treaty only if several conditions are met simultaneously. Krisztina Hadas reports:

[Hadas] According to Fidesz, the agreement amounts to a Hungarian foreign policy coup against Hungarians beyond the borders. Parliamentary deputy Zoltan Rockenbauer said that the text of the basic treaty primarily helped [Romanian President Ion] Iliescu's presidential campaign, and it sacrificed the cause of the Hungarians in Romania for [Western] integration.

The Fidesz foreign policy expert was of the opinion that the Hungarian Government was acting in a servile manner toward the European Union, which wants us to come to agreement with our neighbors. This is why they [the government] want to conclude the basic treaty at all costs, Rockenbauer said.

Fidesz considers it unacceptable that the basic treaty supplies the Council of Europe's Recommendation 1201 on minority rights as a footnote. Everyone can interpret such supplements as he wishes, Rockenbauer said, and he also objected to the fact that the text of the document was known only from statements published in the newspapers. Fidesz will support the basic treaty only if Recommendation 1201 is intact and if the document reviews the Romanian education law as well as the issue of church real estate, Rockenbauer said.

Hungary: FKGP Urges Caution on Signing Treaty With Romania

LD1508122796 Budapest Kossuth Radio Network in Hungarian 1000 GMT 15 Aug 96

[FBIS Translated Excerpt] The Hungarian opposition Independent Smallholders' Party [FKGP] criticizes the government proposal to amend tax rates. [passage omitted]

It was also said at the FKGP press briefing that they would like the prime minister to wait before signing the Hungarian-Romanian basic treaty until parliament meets again so that the National Assembly can discuss the document. Karoly Levai reports:

[Levai] [passage omitted] The Smallholders would not like to take a position on the agreement, and are unable to do so, until they are acquainted with the precise text of the basic treaty. In any case, they have forebodings on the basis of the preceding events and the reports that have been leaked.

For this reason, they would like [Prime Minister] Gyula Horn not to rush the signing of the document; they would like him to wait until the fall session of parliament begins, and for the issue to be discussed there.

The Smallholders also hope that the government will keep its promise to take into account the opinion of the Hungarian organizations in Transylvania. Smallholders' spokesman Zsolt Lanyi said that on the basis of what was known, the organizations from beyond the border had reservations upon hearing the news about the completion of the document and the quick agreement.

Hungary: KDNP Opposes Policy Toward Neighboring Countries

AU1408150896 Budapest NEPSZABADSAG in Hungarian 14 Aug 96 pp 1, 3

[Correspondent's report: "The KDNP Opposes the Horn Cabinet's Neighborhood Policy"]

[FBIS Translated Text] "The government's repeated failures in its foreign policy with the neighboring countries raises anxiety in the Christian Democratic People's Party [KDNP]," KDNP Chairman Gyorgy Giczy wrote to Prime Minister Gyula Horn in his open letter on 13 August. Giczy says that his party did not agree with the Horn-Meciar meeting in the first place because it gave the impression that the Hungarian Government wanted to apologize to the Slovak Government for having—at last—taken a brave stance at the Hungarian-Hungarian summit. The unexpected Slovak cancellation of the prime ministerial meeting is a warning equivalent to a slap in the face.

"The Subcarpathian events are another warning, indicating that the basic treaty with Ukraine did not at all solve the problems of the Subcarpathian ethnic Hungarians. In these circumstances, it is unacceptable to push for the Romanian basic treaty and it is also a serious political mistake because, in light of the above examples, it would mean a new antagonism rather than a solution in bilateral relations," Giczy wrote. "For this reason, I respectfully ask the prime minister not to experiment repeatedly with trying to set up a meeting with Meciar, and the government should not take steps—that cannot be withdrawn without the country losing prestige—in the interest of the basic treaty with Romania. Should the prime minister decide to take steps contrary to this before the opening of Parliament's fall session, the KDNP will initiate to convene an extraordinary parliamentary session," Giczy wrote.

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Hungary: Coalition Government's Activity Analyzed

96CH0140B Budapest HETI VILAGGAZDASAG in Hungarian 13 Jul 96 pp 6-10

[Unattributed article: "Government Program Inventory at the Halfway Mark as a Maiden Two-Year-Old"]

[FBIS Translated Text] *During the first half of its term, the socialist-free democratic administration has accomplished little of its program—which cannot be called idealistic to begin with. In comparing deeds with the government program that was approved by parliament on 15 July 1994, it becomes clear that, aside from the Bokros package, which had some success in terms of putting the macroeconomy in "order," the Horn cabinet was able to carry out its program, mainly in the area of legislating less imaginative, previously prepared bills.*

The first two years of its term only corroborated what was already apparent about the Horn administration at the time it presented its program, namely, that it had no "vision" of our country's future; it merely had a list of things to do "to put the country's affairs in order," to use the prime minister's words. Closing the constitutional revolution that began in 1989, stabilizing the new legal structure, and fine-tuning the squeaking government machinery of the Third Republic constituted the strategic objectives of this "leading" government program. However, the cabinet still owes most of the important laws and new institutions it promised. Despite the coalition's 72-percent majority, there was deadlock in parliament concerning several issues. Instead of quickly working out the new constitution (the basic constitution should have been put to a referendum during the second half of 1995), only a few sections of uncertain fate have been worked out to date. First, the social-democratically inspired 1995 concept of the Ministry of Justice was obstructed by the National Assembly's government parties and then, a few weeks ago, a liberal constitutional proposal was defeated by the MSZP leadership and members of the administration.

Large-scale power moves, which later proved to be paralyzing, stood in the background of these defeats. Extending the rights of the opposition may be the only area where the government majority cannot be reproached for failing to live up to its promises. For instance, the new house rule approved in 1994 requires the votes of only 20 percent of the representatives (instead of the earlier 50 percent plus one vote) to set up investigating committees. Changing its initial position, the coalition gave up the principle of majority rule even in the preparation of the new Constitution where the ratio between the parliamentary majority and minority turned out to be 9:16 instead of 17:10 that was expected in the summer of 1994. The "positive discrimination" against the opposition was too successful: the body of six parties (in which a consensus of minimum five parties is needed for any decision making) was even able to torpedo a few essential issues of the administration's program of public law (e.g. the establishment of the National Judicial Council). True, the MSZP's internal conflicts also played a role in this.

The law on the legal status of ministers and state secretaries, also promised for 1994, was not enacted either. Its purpose would have been to regulate motions of no-confidence against ministers. Nothing came of the comprehensive reform of the Penal Code and the Civil Code, which was planned for the first half of the term. To date, the coalition succeeded in having legislated only six of the 14 statutes of public law that were part of the government program (e.g., the National Security Act and the Archives Act). There is a lesser backlog in legislating economic laws. For instance, parliament passed (if only belatedly) the Privatization Act, the Public Acquisition Act, and the new code of foreign exchange and customs; the State Treasury was set up and, as a result, the statute on public finances was amended.

Since the viewpoints of the socialist "husband" and the liberal "wife" differed mainly with regard to the government's role (and they did not want to ruin their honeymoon), the absence of ideas based on compromise was covered up in their coalition "marriage contract" with a sea of contradictory statements. Under the title Reform of Public Finances, the government program listed several dozen tasks, most of which have not been carried out to date. Although the reform concept itself should have already been presented to the National Assembly in 1994 and "its elements which can be worked out by then be implemented in the 1995 budget," today it seems that there will be no such "elements" next year either despite the fact that the work has been done since March of this year under the supervision of a special Ministry of Finance commissioner. Thus, the circle of public offices continue with their actions of "First cut, then measure." While Finance Minister Peter Medgyessy made the statement in accordance with the present state of science that the reform of education, health and pensions would indeed lessen the burden on the national budget (but "we must commit ourselves to this in the interest of long-term benefits"), the guidelines for next year's budget that have been accepted by the administration again call for saving only 10-15 percent on public institutions—in part by letting teachers go in this case.

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While the slow growth of the economy has not halted and the number of unemployed has not increased, administration officials claim that the Horn administration accomplished in two years what no predecessor was able to accomplish, namely, it reduced the share of government redistribution in the GDP from 60-65 percent to 50 percent. But only those who make these statements know whether this is indeed true. For, contrary to the requirements of the government program, the national budget is still not regulated, six years after the political change of regimes, in a way that is clear to the average citizen. At any rate, it is a fact that—similar to the Antall cabinet—the Horn administration also has a predilection for helping banks or perhaps sport clubs (thereby increasing government debt), not to speak of government guarantees.

The coalition was perhaps most successful in implementing its government program in the area of the tax system, the "poorest" topic. Corporate taxes have been reduced to less than half, and customs regulations have been introduced last April in line with European norms. However, in curbing cheating in connection with taxes and other public obligations, the administration is still just trying to find its way. The tax office and the customs authorities thought last year that a merger between them would be a solution; what they are planning now is to employ 2,000 to 3,000 inspectors for each office.

During the Horn administration, as in during the Antall era, the "decisive battles" of privatization (which was a symbol of economic change) were "commanded" by a party soldier. After launching the first promising act of privatization in the wake of a lengthy stagnation and even risking very strong western criticism by selling the Hungarhotels hotel chain (which has remained under government ownership to date), and using that as a pretext to let Finance Minister Laszlo Bekesi go (who was overseeing privatization and was considered his party rival), the prime minister did not let up until he made the SZDSZ agree to an amendment of the coalition agreement in order to have again a minister without portfolio to oversee privatization. After about six months of quiet work in the background, Tamas Suchman, who is considered one of his most loyal followers, succeeded by last Christmas in privatizing the public utility companies (which was part of the government program), resulting in greater revenues than the total revenues of the previous four years—surprising everyone and earning the admiration of the western financial world. It was only last May when it came to surface that the public utilities were sold with government guarantees for the full purchase prices—with unforeseeable consequences.

Privatization is more centralized today than ever before. Its simplified process, which was developed for small and medium-size companies, has become so complicated that the socialist representatives were justified in announcing recently that it does not work.

All the while, in essence, nothing of the administration's promise to open up the economy to public scrutiny was implemented. The processes are under Suchman's personal "direct control"—subject to the prime minister's approval. The parliamentary committee, which was to replace the existing subcommittee and was to oversee privatization has not been set up—true, partly because of the opposition's fault. The government agency that was supposed to investigate the abuses in privatization during the previous administration was abolished with empty hands. By the way, the credibility of the cabinet's continuous campaign against corruption has been undermined during the past two years by the fact that MSZP and SZDSZ representatives are unwilling to agree on setting up limits to their own business interests. The free democrats and the socialists who, while in opposition, jointly demanded that the pockets of parliamentary representatives should be "made of glass," are still obstructing the legislation of the statute on the economic incompatibility of representatives, which was promised for 1994.

The administration, which lacks any long-range concepts, is going in a direction of least resistance in other areas as well. For instance, it postponed the announcement of the tender for fighter planes, and although the applicable statutes make the development of the Air Force mandatory and the armored divisions are not even among the priorities, the cabinet purchased tanks from Belarus simply because they were inexpensive. Contrary to its intentions and promises, the leadership of the cultural portfolio does not know what to do with education (which it considers wasteful), with the financial bankruptcy of universities and colleges, with the scattered network of institutions of higher education, or with the lack of equal opportunity in education. On the other hand, it assisted the administration in introducing, contrary to its program, tuition without compensation. Similarly, the cabinet failed to initiate laws that would define agriculture's long-term structure, a system of export promotion, and the institution of land mortgage; on the other hand, certain special statutes were enacted in accordance with its promise, dealing with animal health, forestry, and the food industry.

Moreover, the administration was shaken when it had to face ideological issues. In accordance with its program and "in the interest of suppressing the political-ideological element," it abolished in 1994 the Secretariat of Church Relations, which functioned under the Office

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of the Prime Minister, but referring to the request of the churches, the office was reestablished a year and a half later under the supervision of a titular state secretary, who had the same authority as it had under the Antall and Boross administrations.

On the other hand, the administration overcame its hesitation, apparent during its first months, with regard to Hungary's euro-atlantic overture. However, its decisive stand in support of joining NATO and the European Union will not in itself bring Hungary any closer to these institutions—just like the Horn administration's enthusiastic willingness to quickly improve our relations with the neighboring countries failed to change the attitude of the Romanian and Slovak Governments toward the future and already signed treaty, respectively.

The coalition announced two years ago what it wanted to do, and now we know what it can do or could not do at the outset. At the most, only some of the elements of the stabilization package, which defined the macroeconomic processes and social conflicts during the two years, are faintly present in the government program, for instance. Hungary's OECD membership, its agreement with the International Monetary Fund, or the forint's convertibility were not planned but were results of "life's reality." But the 75-percent inflation and last year's 11-percent decrease in real wages were not planned either. And the administration has another two years for unforeseeable accomplishments and failures—in an economy and society that observes its own laws and wants less and less government guardianship.

[Box, pp 8-9]

In a Strong Field

Package Plan for 2000—This is the title given by the Polish government to a program of economic policy, which was described on Monday morning by Finance Minister Grzegorz Kolodko in Salzburg at the Davos World Economic Forum's "affiliate" East-Central European summit conference.

Do we have a strategy? This was the somewhat poetic question that Prime Minister Gyula Horn asked about three hours later at the Hungary Lunch held in the Sheraton Hotel's special room. Kolodko quoted precise figures about economic growth, inflation, and the planned process of decreasing corporate and personal income taxes, which he called detaxation. Horn was satisfied with answering the above question with a single word.

"Yes," he said, adding that any strategy's worth is measured by how much of it can be implemented. True, he spoke beforehand in general terms about the reform of public finances and about the need for stable financial conditions. According to Minister Kolodko, the Polish GDP will reach 200 billion dollars by the year 2000. No such prophecy was heard from the Hungarian side (our appropriate index is around 40 billion dollars at present). At his press conference, 15 persons (I counted them) were attentively listening through ear phones to Gyula Horn's words, who spoke in Hungarian. For the duo of Cimoszewicz and Kolodko, who spoke in English, the conference room was filled by interested press correspondents.

Compared to its neighbors, i.e. the Visegrad countries, Hungary undoubtedly continues to be the leader in the East-Central European region in one area, and that is the amount of foreign active capital (this was disputed only by Kolodko who said that 17 billion dollars have been registered in Poland and spoke of 14 billion in Hungary's case) and, as a result, it is in Hungary where the highest number of joint or entirely foreign companies have been established. It is also true that, as Gyula Horn said, the unavoidable measures of stabilization, the result of which was manifest in a 50 percent reduction of the budget deficit and balance of payments, did not halt the economic growth that was modest to begin with. However, the latter seems to be much more dynamic in Poland or the Czech Republic than in Hungary.

And, following the transition described by Austrian President Klestil as "progressing rather well," foreign investors are probably interested primarily in the possibility of expansion. This is why we missed Finance Minister Peter Medgyessy and Privatization Minister Tamas Suchman so much, who were not among the Hungarian government officials present in Salzburg (they expressed earlier their intention to participate). But we missed even more the concrete statements "desired" by the usual international audience at such meetings. Gyula Horn talked at the opening general meeting on Sunday in a somewhat abstract way about the dynamics and depth of modernization (claiming that Hungarian society experienced more changes during the past seven years of transition than West Europe experienced during two decades following World War II), which sounded similar to the statement of President Arpad Goncz, made in January of last year at the Davos Forum about a certain "modernization deficit" in the Hungarian economy. Then and now, we would have liked to hear more—simple and clear—messages.

—Ivan Lipovecz, Salzburg

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[Box, pp 6-10]

Minister Evaluation

What did the individual members of the Horn administration do, and how, during the first two years of the socialist-free democrat coalition? The concise "portfolio summaries" below attempt to answer this question.

Prime Minister Gyula Horn (64), who has said several times since his inauguration that he "did not apply for this office" (although it is well known that most voters "voted for the MSZP because of me"), left no doubt during the past two years that he is the one who pulls the strings of governmental leadership, even when he is retreating from a position. He was the one who came up with the idea of property tax, he was the one who protested when the coalition partner raised objections, and finally he is the one to decide when an issue is to be put on or taken off the agenda. He gives the impression that it is his job, as prime minister, to keep Hungarian politics in motion through his ideas. His improvisations are always "multilayered." For instance, by including Sandor Nagy in his administration, he would provide rank to the union boss, who is an ally in the elections, would undermine the finance minister who is getting out of control, and would create an alternative for the liberal economic policy. His tactical sense, which includes a capacity for retreat, is coupled with his occasional lack of sense for democratic law. After the Constitutional Court's rejection of the Bokros package, he tried to impress upon the Chief Justice the need to refrain from such decisions in the future. He was a minister of foreign affairs with a routine. A signatory of international agreements, he expressed at a people's meeting his "personal opinion" on capital punishment, which was contrary to agreements ratified by Hungary. He supported the establishment of a central bureau of investigation with a legal status conventional only in dictatorships. He promised to begin talks about the price of bread. As his rival reform comrades disappeared around him in the early 1990's, he successfully hindered anyone from permanently standing out in his administration. He is extremely withdrawn, and does not share his problems with the president and the house speaker, who sit at his table on Monday mornings when the various branches of power come together for a few hours for a "connecting working breakfast."

Gabor Kuncze (46) has been the first minister of the interior since the change inregime who is not a legal expert (he is an engineer and economist). He surprised many people in his own party with his activities. For instance, he kept Andras Turos as deputy chief of public safety at the National Police Headquarters, whom he continually criticized when the SZDSZ was in opposition. He appointed onetime Deputy Prosecutor General Sandor Nyiri, the Kadar regime's symbolic figure, deputy state secretary to oversee the police despite the advice of leading SZDSZ experts of criminal law. He has a predilection for saying nothing, like the chief cadres before the change of regimes used to, but in his better moments he likes to spice it with sour irony. He was more than once sharply criticized by members of the onetime democratic opposition (lead by onetime SZDSZ Chairman Janos Kiss) for police brutality. "The police officer...is supposedly not a philosopher in most cases," he said in an interview. He was one of those who opposed the legislation of the statute on agents, which would screen out onetime police informers from the political elite. He does not like to improvise. His staff has been waiting for two years for him to make a "decipherable" statement in the debate on reestablishing brothels. His political instincts work fine. In government circles he is considered to be doing better as deputy prime minister than as minister of "police and public administration."

In the wake of the brutal honesty and open-helmet battles of his predecessor Lajos Bokros, Minister of Finance Peter Medgyessy (54) is surrounded by a feeling of *deja vu*. He was the party state's last refined and diplomatic deputy prime minister, who was decent enough to have meetings and send messages from behind closed doors—as was usual during the 1980's. "Gyula Horn is a born politician, and I am a born economist," he commented at his appointment to minister of finance on his and the foreign minister's thoughts on the 1988 introduction of the world passport. But according to all indications, Medgyessy has since mastered the art of politics. For instance, aside from his above statement, there has been no other instance over the past four months when he openly criticized the prime minister. Such an act, after all, toppled his predecessors. For instance, when the prime minister announced that this year's inflation is planned at 20 percent, Medgyessy did not contradict him but sent a message to those who have a quick ear that there will be a 20 percent increase in consumer prices in December, i.e. that the annual rate will be higher than that. On the surface he seemed to want to have very close cooperation with Tamas Suchman, Horn's confidant, but he really hurt Suchman—deliberately or accidentally—when the Ministry of Finance informed the budget committee in its May report about its 400 billion forint [Ft] guarantee to the APV [State Privatization and Property Management Corporation] with no explanation. In one of his latest statements he "sent a message" about dissension within the administration, noting that in the economic cabinet he was forced to use his veto

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power against ministers who voted against raising the retirement age. It proved to be a nice tactical stunt when he failed to follow the practice of Lajos Bokros (who antagonized everyone from students to physicians) and delegated to the appropriate ministers the announcement of the news dismissing teachers and health care workers. On the other hand, he himself announced the good news, e.g., "Next year we will abolish the 23 percent supplementary corporate tax, and will also reduce personal income taxes by an average of at least 1.5 percent." And when he had nothing good to say, he at least said the "right" thing: "I feel ashamed for the 0.5 percent increase in pensions." Thus the public has given Peter Medgyessy much higher points than Laszlo Bekesi, who always brought bad news and was nicknamed "Sad-Faced Knight" and "Mantis" or to Lajos Bokros, who behaved like "a bull in a china shop," for trying to please everyone, for having a positive outlook, for his immaculate appearance, for his withdrawn and gentle demeanor, and of course for his earlier stabilization policy, which included the credit arrangement with the International Monetary Fund, and the OECD membership.

Pal Vastagh (50) was called in by Gyula Horn in an emergency as minister of justice to replace Kalman Kulcsar, who was his favorite but whom the SZDSZ rejected. It was rumored twice in two years that he was to leave, once he himself played with the idea of leaving. He is often slapped in the face, which he endures. The prime minister, who was dissatisfied with the preparation of bills, threatened several times that he would transfer the preparation of bills to the Office of the Prime Minister (which happened in part this year). After the Bokros package was rejected by the Constitutional Court, he was blamed by many for the failure, and he was a loser with pride. He is a disciplined "player," avoids attracting attention, and engages in a confrontation only as a last resort. A few of his ministerial promises remain unfulfilled. For instance, his proposal for an increase in maximum prison terms was "idled away" by his portfolio. It is unlikely that he will be able to carry out his dream of creating a new constitution by the end of the millennium. Indeed, he was excluded even from the preparation of the fundamental law. He is considered a correct but not-too-skillful negotiating partner, allegedly deficient in tactics, tricks, and lobbying. His loyalty to the administration backfires from time to time. For instance, during the debate on this year's budget, he "believed" that there was no money for increasing the judges' salaries although representatives Peter Hack and Laszlo Toller later "managed to bring it about." In the party he represents the spirit hallmarked by Rezso Nyers, but in the administration and in parliament he gives the impression of being a solitary man.

As minister of defense, Gyorgy Keleti (50) reached the top of the popularity list both for members of the administration and members of the MSZP national committee by showing off with his earlier career as press spokesman. One of Keleti's (who is considered loyal to Gyula Horn) spectacular image-building actions during the past two years, for instance, was the test flying of a MIG-29 fighter plane. He also had popular and uplifting measures and statements such as allowing soldiers to wear civil clothes when they leave base, or his plan to reduce the period of armed service from one year to nine months. Gyorgy Keleti, who in 1994 appointed professional army field officers to professional armed forces reform politicians and appointed army officers and generals in civilian clothes to the portfolio's key posts, did not lose his positions in the administration because of the scandal that broke out in connection with his objection to unconstitutionally sending fighter planes abroad. But, contrary to Gyula Horn, the public was not convinced by the calling of certain generals and high ministry officials to account.

History was repeated with Balint Magyar's (44) emergence as minister of culture. As Bertalan Andrasfalvy played in the former administration the difficult role of a "ram" in defining the new basic policy of education and culture, and as his successor Ferenc Madl "directed" the preparation of bills and measures, the Horn cabinet's first two years are also marked by a dual cast of cultural ministers. Gabor Fodor, who was only 32 when he occupied the velvet chair and was hungry for achievements just because of his young age, achieved only morsels of success. Despite his avoidance of conflicts and his statements to the press in which he advocated consensus, union leaders accused him of neglecting interest reconciliation, and artists and scientists accused him of direct control of culture. His personal decisions were called cultural struggle and cultural cleansing, and while he represented the administration's decisions (e.g., the restrictive financial measures) even to the staff of his ministry's institutions, he was constantly in the crossfire of the prime minister's criticism. But it was not during the 18 months of the Fodor era when the MKM [Ministry of Culture and Public Education] leadership was forced to assume a defensive position but at the beginning of 1996, after Balint Magyar, a professional party politician, an expert in finding compromises, a high-ranking member of the SZDSZ leadership, replaced Gabor Fodor. At any rate, wanting to take credit for its legislation, Magyar ended the struggle on several fronts about the amendment of the statute on public and higher education, which was prepared during

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the battles of the earlier period. He quietly passed the supervision of youth issues (the source of earlier struggle within the coalition), for instance, on to the Office of the Prime Minister and, in order to have the amendment of the education law passed, he "softened up" (under pressure from the Teachers Union) the proposal's passages dealing with teachers' employment and the increase in teaching load.

Gyorgy Szabo's (49) predecessor was Pal Kovacs, the Horn administration's first minister of social welfare (he was regional physician earlier and then head of the health department in Dunaujvaros) who, according to rumors, was able to "implement" only a single item in his program during his short tenure while he led his portfolio dubbed "sleepy idleness"—that health should not be overseen by physicians only. Because of the Bokros package, he had to resign on 12 March 1995 (this was the most popular gesture of his career) and—breaking the decades-long tradition—his velvet chair was inherited by Gyorgy Szabo, an economist and chairman of the Borsod-Abauj-Zemplen County party committee. He displayed antagonism against the medical profession (this does not bother him) and, according to many people, he has been drawn from the hat of cadres merely to administer bitter pills. He frequently worked as the finance minister's yes-man and completely identified with the stabilization package, but was forced to retreat on the issues of dental care and the closing of hospitals, among other things. At any rate, since he assumed office, his portfolio was trying to prove its competency by preparing large-scale studies and complex bills, and launched an offensive. Szabo's "list of achievements" include the abolition of the social security subsidy for sport and factory health care, the introduction of sanatorium fees, and the curtailment of the system of family support. But that is not all: The recently passed statute that calls for a drastic reduction of the number of hospital beds must still be implemented.

Imre Dunai (57), as minister of industry and commerce, has been boasting from the beginning, in his red suspenders, about his virtues as a public servant, quasi "focusing" attention on the (immediately preceding) party-political career of his predecessor Laszlo Pal, who left the portfolio to become chairman of the largest company and the highest-paid (in part by the government) parliamentary representative. Dunai, onetime chief of trade, who was the Nemeth administration's deputy minister of foreign affairs and was known, not for his creative imagination, but rather for his ability to implement in a correct manner, was hiding during the early 1990's in the Commercial Bank, which also functioned as a kind of cadre cemetery. He announced shortly after his appointment last summer that he would resign if the prime minister ever tried to merge his portfolio into a summit ministry of economy. True, Dunai was considered as head of this super portfolio; indeed, Horn chatted with him as potential minister of finance. Perhaps this is the reason why his name (thanks in part to his son) is also mentioned in connection with the Russian oil scandal.

Minister of Agriculture Laszlo Lakos (51), who was chairman of the Jaszkarejno cooperative and a veterinarian, is perhaps the only one in the administration who was helped in assuming his post by the National Association of Agricultural Cooperative Members and Producers, which represents cooperative chairman. He is not only active as coop chairman, but is at the same time serving his third term as parliamentary representative. He has not displayed any great strategic maneuvers to date. He is more active in issues dealing with production and technical development, and he dislikes complex issues such as, for example, the European Union membership or the issues related to the GATT-WTO. In the administration he is more or less unable to promote professional considerations and, as a result, he has relatively frequent conflicts with the interests of his own lobby. In professional circles, Lakos is considered one who "loves to be minister" which, if true, is good for Gyula Horn, for many socialist representatives would prefer to see Sandor Orosz (who is the MSZP chairman of Parliament's Agricultural Committee) in the minister's velvet chair.

Peter Kiss (37) was left with an onerous but at the same time easy heritage by his predecessor Magda Kosa Kovacs, who left on 1 December 1995. The political career of the onetime high school teacher, who had been member of the MSZP since 1967, included the [Patriotic] People's Front and the trade union movement, culminating in her election in 1990 as an MSZP representative. She was 53 at the time of her appointment as minister and proved to be professional even in the area of public administration (attested to by her subordinates, who know something about the competency of leaders). Following her resignation (directly elicited by the administration's forced attempt to enforce a view in connection with sick leave pay, which had previously been declared unconstitutional), both her social and coalition partners had praised her for her abilities (the latter did this despite the fact that interest reconciliation came to a halt during Kosa's tenure and that the social-economic agreement has failed). In essence, she won a political victory through her resignation (she has also been considered Horn's successor before her election to executive deputy chairman), and the team of experts under her leadership laid the foundations for the changes in labor affairs, for a uniform labor market fund, for a system

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of activating the young unemployed at the beginning of their career, and for the introduction of a new legal institution, that of the mediator—for all of which credit is technically given to Peter Kiss. A mechanical engineer, having had a typical cadre career (KISZ [League of Young Communists] secretary at the university, then first secretary of the Budapest KISZ committee, then DEMISZ [League of Democratic Youth] leader, then founding member and chairman of the Left-Wing Youth Association), Peter Kiss has been waiting for a long time for a good position (e.g., MSZP deputy chairman or titular state secretary), has been parliamentary representative since 1992, and now fills a well-established position. This means not only a well-developed regulatory system for labor and a highly qualified professional staff that is hardly infected by politics, but also a mechanism of interest reconciliation that is ready for change, high unemployment, and the increasing cost of unemployment compensation.

Minister of Transportation, Communication and Water Management Karoly Lotz (59) is one of the administration's least known and least criticized figures. Although he seemed to be competent mostly in the areas of industry and commerce before his appointment, he is now considered one of the very few specialists of the "expert administration." The nonprofessional public only perceives his insignificance, except when he was the only minister and spokesman for the liberal economic policy to defend on TV the administration's decision in connection with the railroad strike. He is also unique in the Horn administration in that he kept his administrative state secretary who was appointed by the previous administration. Although the "foundation was laid" by Gyorgy Schamschula, his ambitious predecessor, for the first Hungarian toll freeway (the most expensive in Europe), Karoly Lotz as the government sponsor gets the credit.

Ferenc Baja (41) "I would like to prove that I am competent, for there had been quite justified reservations regarding my ministerial qualifications." This is what Baja, who admittedly is not an environmental expert, said a year after his appointment. He was MSZP deputy chairman and from there he "parachuted" into his new post. He was shaken neither by his use of his ministry's funds for advertisement that is difficult to justify, nor by the "unclear" circumstances regarding the environmental fund (which has grown to more than Ft12 billion), condemned by the State Accounting Office. In the wake of the latter, he sacrificed his administrative state secretary, a renowned expert. He was replaced by onetime KISZ leader Gyorgy Szilvassy, who also lacks experience in environmental protection. Sandor Bakos, his personal secretary is also a onetime KISZ official. This year he advanced to membership in the MSZP national committee. He graduated from a trade school, majoring in heavy current, earned a liberal arts degree, and a Ph.D. in film esthetics. He achieved what his MDF predecessors failed to achieve: He had parliament pass the environmental law that was completely prepared by the former, thereby multiplying the environmental funds—to be allocated by the smallest portfolio. At his introduction to parliament in 1994, Baja stated that he did not wish to assist the environmental lobby, and later strictly followed the Bokros package's guidelines for downsizing on the basis of the principle of the lawn mower. At the same time—contrary to his predecessors—he did not waste his and his portfolio's energy on internal and external political debates that created tension, he did not conduct special negotiations in the issue of Bos-Nagymaros, and he did not object strongly against Slovakia's nuclear plant at Mohi. He tried to establish good relations with the Hungarian green movements.

Minister of Privatization Tamas Suchman (42) is a two-legged manifestation of the socialist party's internal split. He is Gyula Horn's right hand—in the left wing. He has a predilection to voice his social democratic commitment, while he rapidly and efficiently sells out "half the country" to capitalists. He resolves this contradiction with a strong commitment to responsibility. "There is only one thing for me, and that is a task that must be carried out," he said last May. He also has an ideological explanation. We must privatize, not because the government is not a good owner but because at present it has no money for development, he said at his introduction last year, repeating it a year later. And, finally, he is looking for social justifications. He would quickly return the extra income coming from privatization to "the people." That is why he was enraged when parliament, including Gyula Horn, voted against it, deciding to use it for payments of our foreign debts instead. His relationship with the coalition is a constant tightrope walk. His appointment was a defeat for the SZDSZ. Despite his spectacular accomplishments, the free democrats are unable to come to terms with his job, his personality, and his unconditional loyalty to the prime minister. He was the one, at the time of Sandor Nagy's failure to become minister, to demand the amendment of the coalition agreement. As the key player in privatization, he is suspiciously close to the trade unions. He participated in the left-wing trade union "meeting in Hajos," and said that the MSZOSZ's exclusion from the party congress in the spring was "unjustified." But what affected him most was that he himself was excluded from that body. In his anger he left, leaving his party ID behind, which he had on him again, however, when it was rumored for

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a few days that he was to replace the resigned finance minister Lajos Bokros. He thought that this post was custom-made for him. As he stated, he knows of only two kinds of technocrats: one is ruthless, and the other belongs to the left wing. As he said, there is a need for the latter in the present historic times.

Minister Without Portfolio Istvan Nikolits (50), overseeing the secret services, tried to make people believe during the first six months on the job that, after all, no bridge had been built in Hungary between organized crime and politics—as his predecessor Bela Katona claimed at his departure. He believes that the main mission of the secret services is to guard the national economy and, for this purpose, he even introduces changes in the party structure. His political sex appeal is that, as minister of national security, he advocates publicity. After assuming his post, he announced in parliament that there were 797 instances between May 1990 and March 1995 when the National Security Office checked entrepreneurs, journalists, and politicians in violation of the law. Following his statement, he was confronted by the nonpartisan national security lobby, which voted down his proposal for the disclosure of cases. With the support of Parliament's commissioner of data protection, he subsequently succeeded in pushing through his proposal that those who have been checked for no reason should be informed about it afterwards. The limits of his drive for publicity became well defined during the debate on the bill on agents. He rejected the idea that screening the political elite should include not only the III/III group but also the entire staff of the onetime state security services. In his office there is a portrait of Sandor Wekerle, the first Hungarian prime minister who was not a nobleman.

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B-H: Izetbegovic: Herzeg-Bosnia Dissolution Big Step Forward

AU1508115396 Paris AFP in English 1125 GMT 15 Aug 96

[FBIS Transcribed Text] Sarajevo, Aug 15 (AFP)—An agreement to dissolve a separatist Croat mini-state by the end of this month is a "big step forward" for Bosnia-Herzegovina, Bosnian President Alija Izetbegovic said here Thursday. Izetbegovic, speaking alongside US Secretary of State Warren Christopher at a ceremony re-opening Sarajevo airport to commercial traffic, told reporters the agreement, signed in Geneva Wednesday was a breakthrough for Moslem-Croat relations in Bosnia. It followed the election of a single mayor for the divided city of Mostar, he added. And it was part of a series of boosts to this former Yugoslav country, Izetbegovic said.

Adressing Christopher, Izetbegovic said the US official had told him in Geneva the agreement on the dissolution of the Croat mini-state of Herzeg-Bosnia was a "big step forward." "Today one more step forward has been made and yesterday in Mostar with the appointment of the city council, yet another step," he said. Izetbegovic thanked US officials for their assistance in reaching the agreements and assured Christopher that Bosnia would honour them. "I would like to assure you and all present here that our government will do everything that is in its power to continue this positive trend," he said. "In this we see not only the fundamental precondition for preservation of democracy and unified Bosnia-Herzegovina but also for the promotion of peace and stability in this part of Europe," he added.

B-H: Serbian, Croatian, B-H Presidents Agree To Back Elections

AU1408180196 Paris AFP in English 1752 GMT 14 Aug 96

[FBIS Transcribed Text] Geneva, Aug 14 (AFP)—The presidents of Bosnia-Herzegovina, Croatia and Serbia committed themselves Wednesday to fully backing international efforts to hold Bosnia-wide elections next month, in an unsigned document published after talks with U.S. Secretary of State Warren Christopher.

Presidents Alija Izetbegovic of Bosnia, Franjo Tudjman of Croatia, and Serbia's Slobodan Milosevic said they fully acknowledged the role of the NATO-led peace Implementation Force (IFOR) which was crucial in establishing a safe environment in Bosnia.

"Conditions for free and fair elections will be assured throughout Bosnia-Herzegovina," the three said in the document entitled "Agreed Measures" which was issued after the talks Wednesday.

"Participants agreed to abide by the results of the elections and to cooperate fully in the smooth transition to common structures," the statement said.

Authorities in Bosnia's Muslim-Croat and Serb entities will be asked to cooperate at all levels of the election process, the document said.

People indicted for war crimes will not take part in the election and their arrest is key in the implementation of the Dayton peace accords signed late last year and in the reconciliation and reconstruction of Bosnia, it added.

The three presidents also committed themselves to guaranteeing free movement of people throughout Bosnia-Herzegovina, fighting violence, threats and intimidation of the country's Croat, Muslim and Serb communities.

All political groups and communities are also to be given greater access to the media, the text added.

"There will be a rapid establishment of the institutions of Bosnia-Herzegovina...(and) dissolution of institutions not established by the constitution," it said, adding that the republic's new collective presidency will meet no later than four days after certification of election results.

B-H: Serb Foreign Minister Comments on Geneva Talks

LD1508150196 Pale Srpska Radio-Televizija First Program Serb Radio in Serbo-Croatian 1400 GMT 15 Aug 96

[FBIS Translated Text] Yesterday's meeting in Geneva, which was held in the U.S. mission as part of preparations for the forthcoming elections in the Serb Republic and the Bosnia-Herzegovina Federation, was also attended by Serb Republic Foreign Minister Aleksa Buha. Buha told the following to the Serb news agencies upon his arrival in Pale:

[Begin Buha recording] The main topics this time were the forthcoming elections, the organization of the elections, and how to do everything to ensure that the elections will be fair and democratic as envisaged by the Dayton agreement—in all the phases, from the registration of voters and their right to vote where they want, to ensuring freedom of movement. These were the topics of discussion.

The danger of possible difficulties, more likely of a technical than a political nature, was raised on several occasions. This refers primarily to a large number of voters who need to be taken from Yugoslavia and Croatia and back in one single day, or from the Serb Republic to the Federation and vice versa. We had [words indistinct] the danger of incidents, provocations

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that would, of course, interfere with the course of the elections.

On our part, we will do everything to ensure that international bodies, if possible, give us a list of voters coming to the Serb Republic so our police can organize themselves in good time. We will do everything to prevent any incidents. We are very interested in holding fair and democratic elections, because in that way the authorities will again be rendered legitimate. You know that because of the war we overstayed the term of office for which we were voted in in the former federal Republic of Bosnia-Herzegovina. This happened to all institutions and officials.

We hope for the best, and I am an optimist in that respect. I can see that the international community is of the same opinion. If we agree on what needs to be done, I believe that we will do it with double or multifold strength, and I am convinced that results will follow.

In addition to this, the meeting focused on the Federation and relations within it. Most documents that were approved—some were even signed in Geneva on this occasion—refer to the Federation. However, these were internal issues relating to the Federation, and I would prefer not to say any more about it. [end recording]

B-H: Foreign Minister Prlic on Elections, Reconstruction

AU1508105896 Split SLOBODNA DALMACIJA in Serbo-Croatian 9 Aug 96 p 5

[Interview with Jadranko Prlic, foreign minister of the Republic of Bosnia-Herzegovina, by Veso Vegar; place and date not given: "Herzeg-Bosnia Will Certainly Stop Functioning"]

[FBIS Translated Text] Jadranko Prlic, foreign minister of the Republic of Bosnia-Herzegovina, was appointed deputy chairman of the HDZ [Croatian Democratic Community] during the party's fourth assembly. He was the first president of the government of the Croat Community of Herzeg-Bosnia, later renamed the Croat Republic of Herzeg-Bosnia. His position involved him in almost every important process in Croatian politics in Bosnia-Herzegovina. After the Dayton agreement was signed, he had the opportunity to learn the views of many political leaders and diplomats on all current issues in Bosnia-Herzegovina.

[Vegar] What are the reasons for and objectives of the increased pressure by the international community on the Croatian leadership in Bosnia-Herzegovina?

[Prlic] There are two reasons for the pressure on Croats: the issue of Mostar and the issue of Herzeg-Bosnia. The problem of Mostar must be solved as soon as possible, because the September elections are drawing near, and every unsolved problem in Mostar is an unsolved problem in the national elections. Neither we nor the international community should run that risk. We have to make sure that every citizen has a chance to express his or her will and that the results are valid. From the Croatian viewpoint, it is very important to ensure the legal procedure—we have said that Croats consider the Mostar elections to be a purely legal problem at this moment.

Preelection Pressures

When it comes to Herzeg-Bosnia, it appears that resolving this issue may be the key to resolving the Bosnian crisis. The Serb Republic has actually been recognized, and it is one entity, while the Federation is supposed to be another entity. Universal opinion is that the Federation cannot coexist with Herzeg-Bosnia. That is why we must create a structure within the Federation that will enable it to function after the elections with the people who are elected. We must see to that before the elections.

[Vegar] Why is the federal partner, the Muslim leadership, running an increasingly aggressive political and media campaign against the Croats?

[Prlic] The pressure coming from the Muslim side is very strong. It is political pressure, not pressure from individual institutions. Their goal is to win political advantage in the upcoming elections in Bosnia-Herzegovina. Herzeg-Bosnia will stop functioning—that is not a problem—but we must have institutions in place that will assume its functions: the defense ministry, the interior, health care, and everything else. The Croats made themselves very clear: We do not want our living standard to deteriorate; that is part of the Rome agreement. Notice that the regions controlled by the HVO [Croatian Defense Council] will enter the Federation without a single dollar of debt. Look at the duties that we have assumed, and look at the situation in the regions controlled by the Bosnia-Herzegovina Army. Croats cannot run the risk of taking responsibility for the wrong political and economic decisions by the other side.

[Vegar] What is the reaction of the international community, especially the United States, to that attitude?

[Prlic] Exceptionally positive. They understood the essence of the problem, and that is why they have asked for the draft agreement on the transfer of certain functions of Herzeg-Bosnia and—because the Americans insisted on it—of the Republic of Bosnia-Herzegovina to the Federation. John Kornblum, U.S. assistant secretary of state, made himself very clear when he said that the

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future Bosnia-Herzegovina cannot have more than two ministries: foreign ministry and foreign trade ministry. Everything else must function on the level of the Federation and the other entity, the Serb Republic.

[Vegar] The region of the Croat Republic of Herzeg-Bosnia has not made much progress lately.

[Prlic] What is going on is just incredible, and I say it although I have not been directly involved in the situation since 1 November 1995. The situation is very bad, and the living standard has not improved in that period. Salaries have remained more or less the same in all fields, except for slight improvements in certain areas. The living standard should have improved, especially considering the fact that the war has stopped and that defense expenses have decreased. On the other hand, the process of the reconstruction of Bosnia-Herzegovina has begun. The economic system should have created a much better situation for the citizens, especially in central Bosnia.

[Vegar] Why has it failed?

[Prlic] I do not believe that the solutions being implemented are the best. People here use pure politics. Anyone can come in and talk about it. You do not have to have any special knowledge to be a politician here.

Directions From the World

[Vegar] Have the priorities of the foreign policy of Bosnia-Herzegovina been determined? Whose and which foreign policy are you representing as the foreign minister?

[Prlic] Foreign policy is a part of state policy, and the policy that I am representing is simply one of trying to the best job possible under the present circumstances. Our foreign policy cannot be rigidly set, because we are at the center of the entire international public's interest. I have met 60 foreign ministers so far, and I do not think any foreign minister has ever met so many in such a short period of time. The world's interest in Bosnia-Herzegovina dictates the foreign policy of Bosnia-Herzegovina, and we simply cannot do everything that is in the interest of the world. We have 60,000 foreign soldiers and representatives of 42 different countries in Bosnia-Herzegovina. When it comes to our foreign policy, I think that our priorities are our embassies in Croatia, Slovenia, Germany, and Austria. Then come the United States, France, Great Britain, the neighboring countries, etc. It is also important to balance relations with Islamic countries, because a great portion of Bosnia-Herzegovina's population are Muslims. As for our eastern neighbors, I think that we should try to be good neighbors, but an integration of any kind should be avoided. Our goal is to approach the EU and adopt a standard national organization so that we may be eligible for admission to wider European integrations. The first stage will be to enter the Central Zone of European Trade. Poland, the Czech Republic, Slovakia, Hungary, and Slovenia are members at the moment, and Croatia is in the preliminary stage of applying for admission to the EU. When it comes to security systems, our goal is to become part of Partnership for Peace or NATO.

[Vegar] The international aid that was promised for the reconstruction of Bosnia-Herzegovina is arriving. Is it arriving as it was promised and planned?

[Prlic] The aid is coming. We have already received 25 percent of the $1.8 million that was planned for this year. A part of that money will go to the regions controlled by the HVO, but it is quite small. I am not satisfied with that, and I have criticized the organizations that are distributing the aid, because there must be some balance. I always try to highlight that in my conversations with EU and SDA [Party of Democratic Action] officials. I think that the present way of distributing aid is absolutely inappropriate.

[Vegar] Are there any conditions for the aid?

[Prlic] Of course there are. However, only the Croat side is affected by these conditions. For instance, the United States helps Zepce and Jajce. The regions where Croats make up the majority of the population have not received a single dollar of U.S. aid. I told the Americans about it. The Federation cannot be built on such principles.

[Vegar] What are the Americans trying to achieve by that policy?

[Prlic] They are not going to achieve anything. Their Congress decided that 85 percent of the aid must go to regions where their IFOR [Implementation Force] troops are located. These regions are mostly populated by Muslims. It would be much more fair if other states implemented the same policy—that way, France, Great Britain, and other countries would help the regions where their troops are located.

Victory in Belgrade

[Vegar] You were a member of the Bosnian delegation that visited Belgrade and spoke with Slobodan Milosevic. A part of the Bosnian political public did not approve of that action. Why was it important for you?

[Prlic] The visit to Belgrade, as far as I am concerned, is evidence of my function as the foreign minister of Bosnia-Herzegovina and not of the Federation. The same goes for other members of the delegation. From

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that viewpoint, it was a political victory. I think that is clear. We must normalize our relations with Yugoslavia, that is with Serbia and Montenegro—the Dayton agreement expects us to do so. I do not want to make war on my neighbor. Naturally, we must normalize our relations according to international laws.

[Vegar] Did you invite the Serbian leadership to visit Sarajevo? Is Milosevic invited?

[Prlic] We discussed that before. The possibility of visits was mentioned in Dayton, but it is difficult to say whether Sarajevo would be the destination. However, I do not think it is realistic to expect such spectacular steps to be taken before the elections.

[Vegar] The Bosnian elections are drawing nearer. Certain parties are again threatening to boycott them. Will it be possible to hold the elections?

[Prlic] Those threats are nothing more than preelection games. The elections will be held in a very tolerant atmosphere. We will form the necessary institutions in the Federation, the entities, and the counties. I do not think there will be any particular problems during the elections.

[Vegar] What will they bring in the sense of national politics?

[Prlic] They will confirm the existing situation to a great extent. They will also enable the institutions of the state of Bosnia-Herzegovina to function in the interest of the three constitutive nations for the first time.

The Electoral Regulations

[Vegar] You are at the head of the HDZ's list for the Assembly of Bosnia-Herzegovina. What are your expectations? [Prlic] That the HDZ will be victorious. In my opinion, we would win the elections even had we only chosen to have joint lists, although Croats are the fewest in the Federation.

[Vegar] What do you think about the OSCE's electoral regulations and the numerous objections that have been made?

[Prlic] The regulations are as they are, and I do not want to discuss something that I cannot change.

[Vegar] Is there a real danger of the "electoral ethnic manipulations?"

[Prlic] Yes, there is, but that does not violate the regulations, and whatever happens will be a part of the regulations.

[Vegar] Is it perhaps possible for the SDA to win the elections, for example, in Neum, where Croats are almost the only inhabitants? Would it be possible for such authorities to function?

[Prlic] I do not think that such examples are realistic. Certain people seem to be inventing problems, probably because they have nothing else to do. I do not think that it is likely to happen.

[Vegar] So, you think that most voters will vote in the places where they live or where they used to live. You think that political parties will not direct the voters.

[Prlic] I think they will, of course. Such electoral manipulations will happen, but people are exaggerating their predictions.

[Box, p 5]

Establishment of Peace

[Vegar] You participated in the session of the VONS [Defense and National Security Council] in Zagreb. One sentence in the communique issued following that session highlighted the responsibility of the Croat political leadership in Bosnia-Herzegovina. Can you explain the meaning of that sentence?

[Prlic] That sentence belongs in the context of the establishment of peace, law, and order in the regions controlled by the HVO. We cannot achieve any political goals if we do not have the HVO. Our request was very clear, and we sent it to all institutions that must protect law and establish order. Whoever proves incapable of implementing that policy will be dismissed.

B-H: DNZ's Abdic Says SDA 'Dangerous' for Federation

AU1408123996 Zagreb VJESNIK in Serbo-Croatian 11 Aug 96 p 7

[Interview with Fikret Abdic, president of the Democratic National Community, DNZ, by Aleksandar Milosevic in Zagreb; date not given: "I Will Transform Bosnia Into a Little America"]

[FBIS Translated Text] Although it had been planned to hold it almost a month ago, the interview with Fikret Abdic has been postponed twice. On the first occasion this was because VJESNIK's journalist was not able to make it, and the second time they called us from the headquarters of the "Agrokomerc Rijeka" company to tell us that President Abdic had had to leave on an urgent business trip. We remembered the word "president," when on the third occasion we finally met Fikret Abdic at the Zagreb premises of the "Agrokomerc" company, where we talked to him. Apart from Abdic, there were also a couple of his business and political associates, one OSCE representative, and several officials from the

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civilian sector of IFOR. Apologizing for being late, Abdic said:

[Abdic] I am sorry to have kept you waiting, but you know, the elections are approaching, and there are lot of things to do. And believe me, the situation on the ground are not the best one possible, all kinds of things are going on there.

[Milosevic] Your associates—we heard that just a minute ago—address you as president. Why, what are you president of?

[Abdic] You must be kidding when you ask that. I have primarily been, and still am, the president of the "Agrokomerc" Managing Board. Then I am also president of a political party, the Democratic National Community [DNZ].

[Milosevic] All right, we have made that clear, and now we can clear up some other dilemmas. The public in Croatia remembers that you spent some time in the then occupied territories of Croatia. One could even see you in some broadcasts in the company of Milan Martic. What, in fact, was that all about?

[Abdic] I think I have already explained that in some previous interviews, but I will repeat it here. One had to give shelter to and find accommodation for a huge number of people from western Bosnia who had withdrawn before the Bosnia-Herzegovina Army 5th Corps units. Those people did not want to live under Alija Izetbegovic's regime, and it was my moral duty to take care of them. I was trying to obtain accommodation and a provisional roof over their heads. Later they have gone to third countries, and many of them were in the free territory of Croatia. I have uttered no word, or made no thing, that would have been at the expense of either the Croatian people or Croatia then, or before, or later. If it had been otherwise, would I be here today? Here, that is it, and I think that any subsequent return to that would be a return to the past, and I, together with the members of my party and my followers, want to look at the presence and into the future

They Were Saying "Ustasha" and "Chetnik"

[Milosevic] Now that you talk about the party and the elections, how do you intend to participate in the preelection campaign in Bosnia-Herzegovina? The authorities in Sarajevo do not allow you or your followers to move freely. You are being openly threatened. Recently Atif Dudakovic [commander of the Bosnia-Herzegovina Army 5th Corps] at a public meeting in Bihac, in front of several hundred citizens, said that there is nobody in the world who can force the authorities in Sarajevo to allow you to return to Bosnia-Herzegovina and have free movement.

[Abdic] You have forgotten to say that Dudakovic called me ustasha at that meeting. A year ago, he and official Sarajevo called me chetnik. That is a confused and headless society. However, let us not discuss them. You can see yourself that I have contacts with both OSCE and IFOR. They claim that I and the members of my party will be allowed to move in Bosnia-Herzegovina. True, the SDA [Party of Democratic Action] has tried to prevent Democratic National Community from registering for the parliamentary elections in Bosnia-Herzegovina, and to prevent me from being a candidate in the presidential elections, having claimed that I was a war criminal. And the Hague tribunal, which knows very well what was going on, has never brought any letter against me, let alone charges. So the thing coming against me from Sarajevo, is an attempt to discredit me politically.

[Milosevic] So you believe that you will participate in the preelection campaign on an equal basis with all the other parties and candidates?

[Abdic] We have firm guarantees from OSCE and IFOR. After all, if that does not happen, the political and any other kind of credibility of the international community is brought into question.

[Milosevic] The Democratic National Community is registered with the Higher Court in Mostar. Is that a national party? Does it include only Muslims, or do you advocate a unified Bosnia-Herzegovina?

[Abdic] Naturally, the DNZ is a party that predominantly gathers together Bosnia-Herzegovina Muslims. In fact we are the only real opposition party to the SDA among Muslims. However, there are representatives of other nations in our party. For example, the leader of our list for the elections to the House of Representatives of the Bosnia-Herzegovina Assembly is Bozidar Sicel, a Croat. He is an extremely distinguished and honest man who even today enjoys a very high reputation with all the inhabitants of western Bosnia. And regarding the Bosnia we advocate, she is not at all unified, if you refer to a state that would be based on the outvoting of one nation. We advocate and politically support Bosnia within its internationally recognized borders, and consisting of two entities—the Federation of Bosnia-Herzegovina and the Serb Republic. Listen, those are the realities in which we live.

People Want To Live

[Milosevic] As I was preparing myself for this interview I shuffled through a document called "Economic Program of the DNZ." This seems to be an interesting document, but how can one bring about all that is written in there?

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[Abdic] My party's program is based precisely upon those economic issues. That is something Bosnia-Herzegovina needs. The Party of Democratic Action does not have anything like that. That party has, in fact, no program that would grant future perspectives in the lives of the citizens of the Federation. We have a program, we have personnel capable of realizing it, we have friends and associates abroad who are willing to help us in the realization of that program.

[Milosevic] What is the basic outline of that program?

[Abdic] We want to give perspectives and hope for a better life back to people. We want to, and we can, create conditions in which thousands of refugees and displaced persons will be able to return to their homes, and after they return, they will know what to do and they will know where to work, to earn a living for themselves, and not to wait for social and humanitarian help. Bosnia-Herzegovina is lacking such realistic and feasible programs. You have heard and seen on TV what was going on in Sarajevo the other day. Sarajevo was blocked with thousands of invalids, demobilized fighters, families of the killed, with those who have touched the very social bottom. The present government in Sarajevo neither knows nor wants to solve their problems. Instead of turning to solving those basic issues in the lives of every citizen, Alija Izetbegovic strikes fear into our hearts with the possibility of a new war. That is insane. People are fed up with the war, suffering, dying, people want to live. My party offers them exactly that option. We say: enough of war, enough of suffering, it is time for a decent and honest life!

[Milosevic] If you win in the elections and get a chance to bring your economic program into life, when will we see the first results of it?

[Abdic] One could already see the results of that program in two months' time.

[Milosevic] You do not mean in the whole of Bosnia-Herzegovina?

[Abdic] In the Federation of Bosnia-Herzegovina, in the places where we will participate in the elections.

Political Pitch-Darkness

[Milosevic] You were mentioning the other entity, too, the Serb Republic. What would relations between the Federation of Bosnia-Herzegovina and that other entity look like?

[Abdic] I know what you are trying to achieve with those questions. I, my party, and my followers do not think that it is necessary and possible to build some kind of new brotherhood and unity. However, one must not close one's eyes to reality. This other entity exists, and is recognized as a part of Bosnia-Herzegovina by the international community. The Federation of Bosnia-Herzegovina must live with this other entity in the immediate neighborhood. We do not have to love one another, we do not have to kiss one another, but as we live next to one another, why should we not do business? After all, the Dayton agreement, which tailored this Bosnia-Herzegovina, envisages free circulation of people and goods, open roads. Any kind of Yugoslav or Balkan federation is out of the question, and nobody has been invoking some kind of political or constitutional association. But I am deeply convinced that this region can and must cooperate in the economic field, they must cooperate. In the future they must be a part of European economic integration. I believe that I have just given you an answer to your question.

[Milosevic] Judging by the indications of the economic program of DNZ, you have been using the experience you acquired as manager of "Agrokomerc" in Velika Kladusa.

[Abdic] Yes, some of the experience I acquired in that job has been integrated into this economic program. However, the value of that document and its vividness is in the fact that a whole team of experts worked on it, not only the people from western Bosnia, but also from Croatia, Slovenia, Europe, and the world. Many experts who used to work in "Agrokomerc" are all over the world today, from Japan to the United States, from Australia to Sweden. All of them are ready to return back here tomorrow, and put their knowledge into the service of the development of Bosnia-Herzegovina. Therefore, with full responsibility, I claim that I will transform Bosnia-Herzegovina into a little America. Or, if you like it, into a little California, Denmark, or Sweden.

[Milosevic] So you do not doubt that you will win in the elections?

[Abdic] Would I participate in the elections, if I doubted my victory?

[Milosevic] Can you tell us what is going on in Velika Kladusa nowadays? What is the position of "Agrokomerc?"

[Abdic] In Velika Kladusa, as well as in western Bosnia and all the other parts of the Federation of Bosnia-Herzegovina under the control of the Bosnia-Herzegovina Army, the situation is very bad. Economically it is disastrous, and politically it is pitch darkness. Izetbegovic's party does not respect civil rights, does not care about the life of the people. After attempting for a year they did not succeed in starting up production

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at "Agrokomerc." They say that they will bring Turkish capital into that company, they promise castles and riches, and nothing happens. After all, as early as before the war "Agrokomerc" was a privatized company, and all its shareholders—and those were thousands of employees in various plants and farms—have become refugees. And now the authorities in Sarajevo are privatizing a company the owners of which are safe and sound, a company in which the authorities have not a dime of ownership. But both Izetbegovic and his people are wrong if they think that the world cannot see that, and that the world does not care about it. In Europe, the SDA and its president are losing more and more reputation and political influence. They in Sarajevo are aware of that, and therefore they have been trying to do everything to prevent my participation in the elections. They know that in the first elections I won the largest number of votes of all the members of the Presidency, and that will happen again. Today, through the Party of Democratic Action, the very same people who organized the staged political process in 1987 once again want my political and physical end. They did not succeed then, and they will not succeed today.

[Milosevic] You have mentioned the first multiparty elections. Why did you not then, on the basis of the election results and votes you won, take over the position of first man of the Presidency of Bosnia-Herzegovina?

[Abdic] You are not the only person who asks me that nowadays. You see, I won the confidence of the electorate then, but as a sober and realistic man I was aware that I had no party to support me. Then I was a member of the SDA, but I knew that the majority of the party leadership supported Izetbegovic. I thought that I would be able to do more if I left the leading position in the Presidency to him and turned to other business. One had to continue with the development of "Agrokomerc" and whole of western Bosnia, and I had a moral obligation toward the people in the region from which I originated. When I was warning that the war was approaching and that the economy should be organized in a way that was efficient under war conditions, too, they were telling me I was crazy. When the war broke out and the Bosnia-Herzegovina economy was destroyed everywhere except in western Bosnia, where we had prepared ourselves for what happened later, they said I was a traitor. Until the offensive of the Bosnia-Herzegovina Army 5th Corps, there was no hunger in western Bosnia, and there was no need for any kind of humanitarian aid. There was no war, either.

Alija Minds People Who Do Not Think Like Him

[Milosevic] You are a fierce opponent of Alija Izetbegovic and the SDA.

[Abdic] Wrong, I oppose their ideas and their policy. I am not a man who hates someone, so I do not hate Izetbegovic or his party, either. Simply, based upon what has happened and what is still happening, I claim that they are dangerous for the Federation of Bosnia-Herzegovina and for all those who live in it. You can see what is going on in Mostar, what is going on in Sarajevo. It is not Herzeg-Bosnia that is a thorn in the eye of Alija and the SDA because of, allegedly, the difficult functioning of the Federation and its institutions. They want an ethnically clean Bosnia, and more than that. They mind both the Croats, and the Serbs, and the Muslims who do not think like them. Otherwise, would they attack me, my party, and our followers with such persistence and passion?

[Milosevic] In order to participate in the elections, each party has had to enclose a certain number of signatures to the authorized OSCE commission. How about the Democratic National Community?

[Abdic] We have presented 17,000 signatures to the OSCE commission, 7,000 more than one needed. We have additional 30,000 signatures in reserve, because we predicted that they in Sarajevo might try to stop us. It seems that they have also realized how strong we are, because they have not brought those signatures into question. However, every day members of our party are being exposed to terrible pressures, threats, and harassment. Despite that, they cannot put fear into our hearts and break us.

[Milosevic] Will the Democratic National Community, if necessary, make a coalition with some party in Bosnia-Herzegovina?

[Abdic] No, we will work on our own, because we are strong enough.

[Milosevic] Do you have any contacts with the HDZ [Croatian Democratic Community] in Bosnia-Herzegovina? What are your relations with the representatives of the Croatian people in the Federation of Bosnia-Herzegovina?

[Abdic] There are no direct political contacts between the DNZ and the HDZ. Both parties respect each other, and each of them is active in a separate political territory. I have had no contacts with the representatives of the Croatian people in Bosnia-Herzegovina for already a year, but I want to say that they, regarding the DNZ, are very correct in their appearances and statement. I believe

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that the HDZ and the DNZ will together, after the elections, reinforce the Federation of Bosnia-Herzegovina, and that is not only in the interest of both nations but also in the interest of the Republic of Croatia. After all, is there anything more natural than the comprehensive cooperation of the Federation of Bosnia-Herzegovina and Croatia? These countries can and should enter European integrations together, they should develop economic cooperation, and they need as much cooperation in all fields as possible. The Washington and Dayton agreements are in the interests of both countries.

B-H: New Municipalities 'Cannot' Hold Elections 14 Sep

AU0608141196 Novi Sad DNEVNIK in Serbo-Croatian 2 Aug 96 p 2

[Article by S. Risovic: "Elections Even After Elections"]

[FBIS Translated Text] Banja Luka, 1 August—By the decision of the Provisional Electoral Commission, elections in newly formed municipalities in the Serb Republic and the Federation of Bosnia-Herzegovina cannot be held on 14 September. However, the citizens of Srpska Kostajnica will be able to go to the polls, but they will be electing deputies to the Municipal Assembly of Novi Grad [Bosanski Novi], to which this district belongs, while the citizens of Skelani and Milici will be electing deputies to the Municipal Assembly of Vlasenica.

As for divided municipalities—there are 20 such municipalities in the Serb Republic—the situation, with regard to the elections, is different. Displaced persons from the following municipalities: Krupa na Uni, Vukosavlje [Odzak], Samac, Srpsko Orasje, Petrovac, Pelagicevo, Petrovo, Sanski Most, Lopari, Srpski Drvar, Kljuc, Stolac, Kalesija, Srpsko Gorazde, Ilidza, Sarajevo (the district of Old City), Novo Sarajevo, Trnovo, and Mostar, will be able to choose where to cast their votes. They can vote in the places they are currently living in—if they have registered in time. They can also go to their former places of residence and vote for the Muslim-Croatian federation or vote for the Serb Republic in the parts of the aforementioned municipalities that, according to the Dayton accord, belong to the Serb Republic. Thus, for example, citizens of Kljuc may go to the polls in Kljuc, they can also do so in Prijedor, Banja Luka, or Celinac, depending on their current place of residence, and they can also vote in Gornji Ribnik, where legal and legitimate municipal authorities are supposed to be established only after the elections.

The greatest confusion appears to be among citizens of Drvar, because they have a choice between Potoci, which belongs to the Serb Republic, and Drvar proper, where the Alliance for Peace and Progress has put forward its candidates.

"We have been called traitors because we want to return to our homes, while, actually, the traitors are those who are preventing us from doing so," Mile Marceta, chairman of the Association of Displaced Citizens of Drvar, says bitterly. He also told us that, despite all the pressure and threats, at least 5,000 to 6,000 of his fellow citizens will travel to Drvar to cast votes there, provided the UNHCR and IFOR guarantee their safety, and, as Marceta points out, they will not vote for parties, but for the preservation of Drvar as an ethnically pure Serb city.

B-H: Parties Discuss Media Situation

AU1208161696 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 12 Aug 96

[FBIS Summary] At 0800 GMT on 12 August, Sarajevo Radio begins a live broadcast of the first in a series of two-hour electoral programs entitled "Bosnia-Herzegovina Elections September 1996" [B-H izbori septembar 1996].

As the host in the studio (?Igor Oljaca) explains, the two-hour electoral programs, which will be aired daily until 12 September at 0800 GMT on the radio and at 1915 GMT on the television, are designed as a sort of a follow-up to the 10-minute party presentations on radio and television. The anchor further explains that both the radio and television programs will be devoted to one particular topic, and this topic will feature in radio and television presentations over two days. Today and tomorrow, the participants will discuss the situation in the media. As he explains, although given the possibility to do so, not a single party from the Serb entity has registered to participate in any of these programs.

At the start of each program, each party representative will have five minutes to present the party's position on a particular topic. This will be followed by a short polemic among the participants and then answers to listeners' questions. All answers and responses will be limited to 2 minutes. The telephones will be opened for questions between 0600 GMT and 0900 GMT.

The following parties are taking part in today's program: the Liberal Party (LS), the Croatian Peasants' Party (HSS), the Civic Democratic Party (GDS), the Party of Economic Prosperity (SPP), the Party of Democratic Action (SDA), the Liberal Bosniak Organization (LBO). As Oljaca says, the representatives of the Republican Party and the Bosnian Party, although scheduled to appear, for unknown reasons did not turn up in the studio.

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At 0809 GMT, LS representative Krsmanovic is the first to the party views on the media. The begining of his expose is mainly indistinct, however, as he says, his party favors "absolute freedom of the media." The party also favors coexistence and equality of state, national, commercial, and all other media, the formation of colleges that will produce generations of young, ideologically unburdened journalists, and free and independent journalistic trade unions. As Krsmanovic says, the party would also like to see some changes in the Law on Information that would allow "more liberal participation of the foreign media."

At 0814 GMT, HSS representative Ivankovic takes his turn at the microphone. In principle, he agrees with everything said by his predecessor, however, he places more importance on equal access and representation of all Bosnia-Herzegovina's peoples in the media. He points out that Bosnia is still a society divided internally into three large areas controlled by three different armies, and this is also reflected in the media situation. He, thus, advocates setting up a joint television and radio station, which would have a state and federal character and would be based on Western standards. All parallel radio and television stations should be commercial, he says. As Ivankovic emphasizes, the party favors "a free but responsible" style of journalism.

At 0819, GDS representative Butkovic starts speaking. The party champions the interests of a free individual and open society, as well as the country's reintegration, he says, and the media play an extremely important role in this process. The party favors a freedom of the public word that also involves responsibility. According to Butkovic, the GDS is particularly interested in public-opinion research on the subject of media and had even urged the OSCE to help organize this. This party also stresses the importance of rearing new journalistic cadres, the liberalization of investments in the media, and greater diversification of specific gender- and age-targeted media.

The next to speak is SPP representative Skrbic. The start of his speech is indistinct. He sums up the main provisions of the party program and points out that the Bosnia-Herzegovina state network was ravaged by the war. He also observes that media autonomy has become a sort of buzzword, used and to a degree abused by everybody. He believes that the media freedom is paramount, while absolute media autonomy is not entirely possible. The competition between the media, which first occured during the war, should be sustained and promoted, he says. The party's view is that the media should be financed on the basis of their popularity and number of viewers. The state media must advocate the interests of the state rather than the interests of one single party, Skrbic says.

At 0830, SDA representative Latic starts speaking. As he says in hid introduction, the founders of SDA were, in the past, the victims of a regime that did not allow media freedom and, therefore, this party especially cherishes the freedom of media and aspires to create a new law on media that will be based on the principle of freedom. However, he points out, this will not be an anarchic, absolute freedom, but freedom limited by respect for the fundamental human rights, especially religious rights.

As he says, the SDA will also initiate a debate in the Bosnia-Herzegovina Assembly on the situation in the OSLOBODJENJE daily, which used to be the state paper in the past. As he says, the state needs a paper. The party also advocates banning the activity of those media that are undermining the state. Latic agrees with previous speakers that there is no such thing as independent media. Latic's final reference to the party views on cooperation with the foreign media is indistinct.

At 0835 GMT, LBO representative Berberovic outlines his party's media platform. He stresses the importance of Bosnia-Herzegovina acquiring democratic authorities in the September elections and the role of the media in this. His party also favors more public opinion polls on the media being carried out. During the second half of his expose, reception deteriorates to practically indistinct.

Berberovic's speech concludes the first part of the program. The anchor, Oljaca, repeats the telephone numbers on which callers can ask questions and then calls a five-minute break.

The program resumes at 0847 GMT with a brief polemic among the party representatives. The reception continues to be very poor and most of this section is indistinct. Among others, Berberovic is heard tp point out that the Bosnia-Herzegovina public is very uncritical in its reception of information, which should be an additional reason for greater professional responsibility among journalists.

The party representatives are then asked to explain what "freedom of all media" actually involves. The LS's Krsmanovic interpretation is the freedom stemming from the basic human rights. For him, the freedom of the organization of media means the unhindred formation of party, religious, ethnic, and all other types of media. Oljaca here cites the figures obtained in a survey by the MARKPLAN agency that reveal the existence of a great number of media sources in Bosnia-Herzegovina.

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The HSS's Ivankovic remarks that the freedom and independence of the media are often mixed and that the number of media sources itself is no guarantee of democracy, reminding that the Serb Republic is also proving its democracy with the great number of different media sources. For Ivankovic, freedom of the media means the possibility of accessing information, the possibility of presenting information via the media, and responsibility. He finds it objectionable that the ruling party or the Bosnia-Herzegovina assembly, where the ruling party holds the majority, is in charge of the state media. The state media must be under the control of the state and should be equally Muslim, Croat, and Serb; they must be such that each citizen can identify with them as their own, Ivankovic explains.

The LBO's Butkovic becomes involved in the debate at this point. He first says that the assembly should be responsible for the program of the state television. The personal freedom of any individual journalist is also very important, however, and Butkovic would safeguard this personal freedom with a detailed employment contract that would clearly spell out the journalists' duties and rights, which, Butkovic believes, would help avoid political influence over a journalist.

The SPP's Skrbic states that media freedom definitely exists on the territory of the Republic of Bosnia-Herzegovina. He sees a problem in the "vassal relationships within the media" that create an illusion of the lack of media freedom. Skrbic also does not find the reporting of Bosnia-Herzegovina radio and television problematic. Oljaca interrupts at this point, citing the number of minutes that these media have devoted to each party, which is supposed to show that ths SDA is not favored by the state media.

SDA representative Latic concurs with the above statement on media freedom, stating that any journalist can obtain information, that no journalist in Bosnia-Herzegovina has been put on trial yet, and that nobody was denied access to information, unless classified information was involved. He stresses the importance of state authorities having their media to report on their activities and, in conclusion, says that although each journalist has the right to comment, he does not have the right of manipulation.

At this point, Berberovic joins in the discussion on the state media, saying that the state should have a certain share in Radio and Television Bosnia-Herzegovina (RTVBH), while the rest of it should undergo ownership transformation. The participants in the debate then proceed to answer the callers' questions.

The first question is put by a female caller whose name is indistinct and who wonders why the RTVBH is "a mother" to the Bosniaks and "a stepmother" to all other peoples.

The second question is put by a male caller whose name is also indistinct and who asks Latic to comment on recent the SDA statement that Studio 99, OSLOBODJENJE, and SLOBODNA BOSNA are communist media. He also asks about the problems of Studio 99 obtaining permission to set up its relay stations around Sarajevo to ensure wider reception.

One of the representatives, who cannot be identified, disagrees with the female caller's assessment of the RTVBH pro-Bosniak bias, however, another representative concurs that RTVBH, although founded by the Bosnia-Herzegovina Assembly, is not a state medium controlled by the assembly, but a party-controlled medium. Here, LS representative Krsmanovic against stresses the importance of the ownership transformation of this public enterprise into a stockholding enterprise and adds that the ruling structure should not be allowed to impose its views through the media.

Butkovic believes that the statement on RTVBH being a stepmother to the non-Bosniaks is a "subjective impression." He does note, however, that there is very little debate and polemic in the Bosnian media; as he says, everything boils down to parties merely presenting their stances but not getting involved into any sort of dialogue. The state media are of tremendous importance, he says and proposes to carry out a survey that would examine how different ethnic groups are treated and portrayed in the media, not merely in the news programs, but in general.

SPP representative Skrbic also dismisses the theory of the RTVBH as a stepmother as purely subjective. He also concurs with Butkovic that there is no constructive public criticism of the standard of work in the media and that the ownership transformation of the RTVBH should be carried out.

The SDA's Latic believes that the RTVBH treats all peoples the same and that any criticism should be addressed to the management of the RTVBH. He would like the RTVBH to represent all peoples in Bosnia-Herzegovina. He then points out that numerous journalists who were very prominent in the communist times are now excelling in criticizing him and other SDA officials, as he says, for covering up their shameful origins. As for Studio 99 not being allowed to set up relays on the hills around Sarajevo, Latic replies that this has nothing to do with the SDA, but falls within the responsibility of the telecommunications administration.

The next caller, (?Simana Dzubur), asks why the SDA is displaying its logo on RTVBH and says

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that other parties should be allowed to do the same. A correspondent of Zenica Radio, whose name is indistinct, asks the party representatives to judge how independent the media in Bosnia-Herzegovina are. He is particularly interested in the SDA opinion. He would also like an opinion on the cadre shortage.

The LB's Krsmanovic states reminds that his was the only party to oppose a ban on the formation of ethnic media and that all different types of media should be allow to exist, but that none of them should incite ethnic hatred and war. Berberovic reminds Krsmanovic that the LBO also opposed the ban on ethnic media.

Oljaca then asks the participants about ways of ensuring the receipt of the RTVBH signal in the areas controlled by the Croatian Defense Council and the Serbs:

Berberovic stresses the need to restore the integrity of the RTVBH network and says that this network will, in its importance, never be superseded by any other network.

Latic remarks that the country should insist on its international right to ban all media that air programs that incite hatred and war. He believes this would be a realistic way of safeguarding the free media situation in Bosnia-Herzegovina.

A representative whose name is indistinct also stresses that the restoration of the RTVBH signal throughout the Bosnia-Herzegovina territory is a fundamental task in the media liberalization, and Butkovic shares the same view. Ivankovic believes this is so obvious a task that it does not even merit special mention. However, he doubts that a joint state television that would cover all of Bosnia-Herzegovina can be created before the elections.

Another representative who cannot be identified agrees that the question of the expansion of the RTVBH signal will not be resolved quickly. He believes that Pale Television should also be integrated into the RTVBH network, but that this can only happen once the political will for it exists. He has no illusions that this will happen after the elections. This is a long-term task, according to the speaker.

Another question by Oljaca asks why the reasons the parties have fewer objections to press reporting than they have to the reporting of the electronic media.

Krsmanovic says that the LS has no objections to the reporting of either state or commercial media. He also believes that LJILJAN and DANI have been raising some very relevant issues lately, regardless of whether one agrees with their points of view or not. As an example of such relevant issues, Krsmanovic cites the subject of mixed marriages.

Ivankovic says that his party is not monitoring the level of its represention in the newspapers and believes that this depends a lot on the parties' own resourcefulness and agility. He believes that the political slant of the papers is not the only consideration in their assessement of the press, but also the quality of journalistic work and presentation.

Butkovic is of the opinion that the newspapers introduced a practice of communication via statements. As he says, there is a shortage of qualitative reports and the situation is the same on television. As an example of this, he quotes the weekend incident in Gradacac, on which the television carried no video footage but merely conveyed the statements of various parties.

Skrbic believes that the reason why the press is scrutinized less than the television lies in the fact that the television is a far more popular medium. He agrees that there is insufficient competitiveness among the papers.

Latic briefly explains that the SDA does not wish to enter into polemics with the dailies all the time, even though some dailies are hostile in their interpretation of SDA policies. He believes that history will be the best judge.

Berberovic says the LBO so far has had no major objections to the reporting in the press. He says the electoral period will be the true test of the media liberalization.

At 0954 GMT, Oljaca concludes the debate. As he says, the debate on the same subject will continue tomorrow when the following parties will take part: the Social Democratic Party, the Union of Bosnia-Herzegovina Social Democrats, the Muslim Bosniak Organization, the Bosnia-Herzegovina Patriotic Party, the Croatian Democratic Union, the Party [words indistinct], and the Party for Bosnia-Herzegovina. He also informs the listeners that questions for the evening television program can be submitted via telephone between 1000 GMT and 1600 GMT. The program ends at 0957 GMT.

B-H: Serb Alliance Presidential Candidate Interviewed

AU1408144796 Bijeljina PANORAMA in Serbo-Croatian 20 Jul-5 Aug 96 p 11

[Interview with Zivko Radisic, chairman of the Socialist Party of the Serb Republic and presidential candidate of the Alliance for Peace and Progress, by an unidentified PANORAMA correspondent; place and date not given: "We Are Being Accused by Those Who Used the Tragedy of Our People in Order To Profit"]

[FBIS Translated Excerpt] The Alliance for Peace and Progress is doubtlessly the strongest, the largest, and

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the best organized political opposition force, the only one that threatens the domination of the SDS [Serb Democratic Party]. It consists of five political parties: The Socialist Party of the Serb Republic, the Yugoslav Left of the Serb Republic, the Party of Independent Social Democrats, the New Workers' Party, and the Social Liberal Party.

Zivko Radisic, leader of the Alliance and its presidential candidate, is supported by tens of thousands of people; he has long been involved in politics. Here he explains why the Socialist Party, whose chairman he recently became, has decided not to participate in the election on its own. He also notes how important it is for the upcoming election not to be only a competition between political parties and a struggle for power but a joint obligation of all parties to establish a solid foundation for the state of the Serb Republic.

[Radisic] The Alliance for Peace and Progress is a logical consequence of the present time—in which we are carrying out elections; in which peace only started and is not firm yet; in which we are faced with the reconstruction of the country and the healing of big and deep wounds. We wanted to unite as many parties as possible with which we partially share our program in order to prevent unnecessary splintering of voters and to enable them to make their decision of who to vote for more easily. [passage omitted]

[PANORAMA] What are the key points in the Alliance for Peace and Progress program?

[Radisic] Our key goal is peace, it must not be put at stake, it is the key to survival of our people. Our second goal is development—progress—which is also the reason why we have given our association the name of Alliance for Peace and Progress. Peace is at our fingertips and we have to cope with that task. Peace is the framework for all other issues, for solving all other problems. Only in this way can we enable the Serb Republic to become stronger and defend it as a state community, as an entity, like it was defined in Dayton.

[PANORAMA] What should the Dayton Bosnia and the Dayton Serb Republic be like in your opinion?

[Radisic] In the first place I want to deny all malicious accusations that have long been addressed to the Socialist Party and that are now being addressed to the Alliance. We are accused of supporting a unitary Bosnia-Herzegovina and of fighting for the resurrection of brotherhood and unity [a slogan from the former Yugoslavia]. These are really unfounded accusations, moreover pure lies. First of all we are a national alliance, we want to eliminate the border toward Yugoslavia, we want to be in Bosnia only to the extent we must. We are not fighting for any kind of restoration of earlier times, for the brotherhood and unity, because if this were a realistic option, the four-year war would not have been waged. A large number of Alliance members participated for four or five years in the war—how can you expect that the same people who fought for their homes and for their own state are now supporting something that denies the results of their blood and suffering? It is even more ironic that we are being accused by those who did almost nothing for the Serb Republic and the Serbian people. We are being accused by those who used the tragedy of their people in order to profit. Therefore we shall fiercely and with arguments oppose such accusations in the election campaign. We will tell this to our people.

[PANORAMA] What will the future Bosnia, which should be constituted as a union in the upcoming election, be like in your opinion?

[Radisic] At the moment, the Serb Republic corresponds to what is written in the Dayton agreement, and this will be our reality for the next several years. This does not mean, however, that the Serb Republic is a stepchild in Bosnia-Herzegovina. It is an equal state-building entity. The question is: What is Bosnia-Herzegovina? I have to ask you what can the sum of a republic and a federation be? This was a painful compromise made in order to stop the war and the suffering of all, especially of the Serbian people. In line with the peace agreement there are no and should be no impediments even to the present Serb Republic, however, since it can establish certain relations with Yugoslavia and the world. It is practically a state. It is difficult to predict what will be in a five or ten years. [passage omitted]

[PANORAMA] The most sensitive Dayton agreement issue, the return of refugees to their homes, will not be solved before the election has taken place. What is the attitude of the Alliance for Peace and Progress to the repatriation?

[Radisic] I sincerely hope, and this is also the general attitude of the Alliance, that the process of reciprocity will be applied. This means that the number of Serb refugees who will return to the territory of the Federation should correspond to the number of Muslims and Croats who will return to the territory of the Serb Republic. I think that this is realistic and that it will have to be accepted by international representatives too. Another possibility is the exchange of properties or reciprocal compensation, which is also acceptable since there is a huge number of refugees and displaced persons in the territory of the Serb Republic too whose rights have to be protected.

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We have to create preconditions for the return of refugees who live in Yugoslavia or abroad now. They should be enabled to return to the region of which they belong; the preparations for their return also must be made.

B-H: Human Rights Situation Said Worse Than During War

LD1308125796 Belgrade TANJUG in English 1037 GMT 13 Aug 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Aug 13 (TANJUG)—The human rights situation in Muslim-Croat federation is at present worse than during the war, the Ombudsman Commission for the Protection of Human Rights said in its report for the first semester of 1996.

The report charges federation state bodies, especially its municipal authorities, with obstructing the work of Ombudsmen. One of the three Ombudsmen, Esad Muhidic, said the situation was especially difficult in small towns and villages in the federation where information on human rights violations is kept hidden.

The federal police simply do not do their job and themselves violate human rights by not providing protection to citizens, Muhidic said. Many citizens are arrested according to some lists of alleged war criminals drawn up by both sides, although the war crimes tribunal in The Hague is the sole competent body for the prosecution of war criminals, Muhidic said.

Ombudsmen also pointed to the behaviour of federal police in reintegrated parts of Sarajevo, where money is being extorted from Serbs under the threat of arrest for war crimes.

Ombudsman Vera Jovanovic said that rule of law does not exist in the Muslim-Croat federation as the federation does not function at all.

The repatriation of refugees and displaced persons is one of the greatest problems, as nothing has been done in the federation to this effect, the Ombudsmen said. Ombudsman Branka Raguz said that the lack of political will of federal partners was the principal reason for the failure to repatriate refugees. There are many cases of refugees having a place to return as their homes are empty and intact, but local authorities do not allow this, she said.

The report also includes a series of examples of police jeopardizing the safety of minority members and their property in the federation. Armed Croat policemen break into apartments in western Mostar and evict Muslim old age pensioners and pensioners of the former Yugoslav People's Army, the report says. Muslims and Serbs have no freedom of movement at all in Croat-controlled Stolac, Capljina, Neum and Prozor, the report says.

B-H: More Misunderstanding in Mostar Expected

AU1408161896 Rijeka NOVI LIST in Serbo-Croatian 8 Aug 96 p 7

[Article by Sanja Despot: "The Match on the Neretva River Is Not Over"]

[FBIS Translated Text] After 17 days and nights of exhausting negotiations, the Croatian leadership of western Mostar accepted the agreement on "Joint Action," by which the presence of the European Union in Mostar is extended until the end of year. This came two days after the European Union ultimatum expired. Although everybody expressed their satisfaction with the compromise accepted on Tuesday, it is incredibly similar to a suggestion that was offered as early as some 10 days ago. At that time, European mediators were being called various names because—in addition to threats to the local Croatian leadership and Croatia herself—they were doing their utmost to force Croatia to approve the establishment of a city administration based upon the results of the elections, just to get any kind of legal basis to extend EU's stay in Mostar. The Croatian side insisted on the illegitimacy of the elections and of Casado's decree by which the results were announced, seeking a promise that the elections would be held again. The Muslims have Sarajevo, Tuzla, and Zenica; the Serbs have Banja Luka, and they do not want to give Mostar to the Croats, Brajkovic [not further identified] lamented.

When the Croats did not want to accept the decision of ombudsman Konstantin Zepos, who rejected the request by the Municipal Election Commission to proclaim the elections in Bonn void, or Casado's decree, by which the elections were proclaimed successful and over, the European mediators sought a compromise. According to the statements of Michael Steiner, deputy special representative for the implementation of the civilian part of the Dayton agreement, the final compromise at that time could have been as follows: the City Assembly would be formed according to the election results; a Croat would be elected mayor, and a Bosniak his deputy; and until the Supreme Court of the Federation of Bosnia-Herzegovina reached a decision on the legitimacy of the elections, decisions would be made by consensus. Or the City Assembly would form itself on its own, but it would not convene, after the election of mayor and his deputy, until it received a response from the Supreme Court. There was no positive reply from the leadership

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of western Mostar to this version, which was finally accepted.

Wise Bosniaks

The Bosniak side wisely gave the impression that they would accept any of the variants of "Joint Action." At the same time, they pretended to yield the seat of mayor, although, in fact, it could not have been otherwise since it had been determined in advance that it would be a Croat.

Not recognizing the Mostar elections was dangerous in two ways: first, the EU would be viewed as having failed completely, and second, it would set a bad precedent before the September elections, with which everybody is occupied at the moment. Nobody knows for sure what the situation in Mostar would be like without the EU present, and nobody can predict what will happen in September. Threats by the international community, which were not very convincing, followed—"to occupy Mostar with strong IPTF [International Police Task Force] and IFOR [Implementation Force] forces." Regardless as to whether there is any legal basis in the agreements signed so far to treat Mostar "as a Dayton town," it is unclear what the mandate of IFOR in Mostar would be. A larger IFOR presence would prevent the outbreak of open armed conflict—as evidenced in the rest of Bosnia-Herzegovina—but IFOR units, proclaimed to be the occupying force in Mostar, would solve nothing. It seemed that the Republic of Croatia would "collect" the punishment, with one more rejection by Europe.

Incorrect Negotiators

All the participants, who had not slept much during these negotiations, congratulated each other Tuesday afternoon on the efforts invested to reach a solution, and the person who took overall responsibility for the outcome, German Michael Steiner, took a well deserved vacation. Expecting today's Federation Forum in Sarajevo, the news agencies are silent, and the most important person to this problem's solution, President Tudjman, is in Athens already, busy with another event.

What happened in the meantime to make the offered compromise acceptable to the Croatian side? President Franjo Tudjman, on the eve of the EU ultimatum, went to the United States, invited by President Bill Clinton. Before that, the cause was pressed by Clinton's envoy John Kornblum, and the Bosniaks immediately tried to take advantage of the pressure on the Croatian side by demanding the dissolution of Herzeg-Bosnia. The European Union, too, with strong backing from the United States, constantly increased the pressure, from the day it handed over the official threatening note of protest to the Foreign Ministry of Croatia. The European Union did not stick to its guns on the 4 August midnight deadline, however; it extended it for two more days. At this point, even the most eager Mostar reporters finally lost their senses as to which was whose proposal and which half of what sentence was disputable at the moment. This round was supposed to come to an end finally, and when it did, it seems the match is not over yet.

The Croats Wait for Reconstruction

"I know that some people will not be glad to hear that this agreement is signed, but that is the way the world is, and that is the way people are. I am satisfied that we have successfully come to the end of this two-year period since the end of the war. Now, it is time for reconstruction," said Brajkovic. For HTV [Croatian Radio Television], he was a bit more precise: "I am no pessimist, but I know that in such a town one can expect problems. However, we have done a big job." As follow-on steps, apart from the election of the mayor—who will be chosen at the only session of the City Assembly in August and who will be a Croat—he announced the establishment of the municipal councils, and later on, the merging of the three municipal councils which had fallen to the Croatian side. Whether it was because the journalists were tired and sleepy, or for other reasons, several details remained understated, and in Mostar, invoking details and legal basis has always been the way of playing tug-of-war. There is a point at which, as Steiner described it, the ground is being pulled from under the feet of the international community. That point has not yet been passed, although this attempt has been one of the most convincing ones.

It remained unclear how many attempts were made to hold up that part of the agreement that refers to the Supreme Court, which has still not been established—when this Court will make its decision, and when one can expect new complications before the September elections. In the end, can the Croats win what was supposed to be the rule to begin with—which became pointless after the legal decision of the OESS [expansion unknown]—local elections during the elections being held in the whole territory of Bosnia-Herzegovina?

And, finally, what will the functioning of the municipal administration, which the Bosniaks and the Croats now see in a completely different way, look like?

[Box, p 7]

Chronology

In Mostar, as early as the end of the Croat-Muslim war and the arrival of the EU, everybody called for

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legitimacy and predetermined rules. And everybody expanded those rules as they pleased. The chronology of the case is:

The elections were first supposed to take place on 31 May, but the Bosniaks then added the possibility of voting by absentee ballot, which was contrary to the previous agreements. Then there was a delay in the admission of a list of opposition candidates. The official results were late, because 26 illegal voting papers were found in Bonn, to which HDZ [Croatian Democratic Community] filed its objection, after it was discovered that the places of the "others" would be taken by candidates from the Bosniak List for United Mostar. On 3 July, the Municipal Election Commission proclaimed the voting in Bonn invalid, and the chairman of the commission, Reuf Zaimovic, according to the media, said that the entire elections should have been declared void. The leader of the Bosniak list, Safet Orucevic, objected to such a decision of the commission, on whose behalf, finally, ombudsman Zepos made a decision.

Although such a stand was not in line with the Dayton agreement, the OESS Preliminary Election Commission for Bosnia-Herzegovina judged that there was no need to hold the September elections again in Mostar. After Casado's decree, HDZ refused to participate in the opening session of the City Assembly and the exhausting negotiations began, which were finished the day before yesterday by the signing of "Joint Action."

B-H: West Mostar Mayor Announces Withdrawal From Politics

AU1208161596 Split SLOBODNA DALMACIJA in Serbo-Croatian 11 Aug 96 p 4

[Interview with West Mostar Mayor Mijo Brajkovic by J.B. in Trogir; date not given: "I Will Not Be the New Mayor!"]

[FBIS Translated Text] Trogir—At present, many celebrities are vacationing on Trogir's many beaches. At a little square in downtown Trogir, by the pharmacy, we had a chat over a cup of coffee with Mijo Brajkovic, the outgoing mayor of Mostar, who is vacationing with his family near Trogir. After the exhausting and strenuous talks on the Mostar crisis in recent days, we asked Brajkovic how he felt now, when everything is over.

[Brajkovic] It was very strenuous and difficult. We had lengthy, never-ending talks, not to mention pressures, that were very strong.

[SLOBODNA DALMACIJA] The new mayor is being elected. Can we congratulate you already?

[Brajkovic] No, I have had enough of that. I am resuming my job at the aluminium-processing plant in Mostar. It is important that we have managed to keep three municipalities for ourselves in Mostar, which we want to unify. Then we will elect a strong leadership, because we have to revive our economy, which is dead at present. Nothing can be achieved without a strong and secure economy. The mayor of Mostar is a person who will be representing the city. As for myself, I am more keen on business. I will have a nice rest here, after which I will return to Mostar, to the plant. I will leave the pursuit of politics to politicians.

B-H: Mostar Elects Sole Mayor, Deputy Mayor

AU1408165196 Paris AFP in English 1633 GMT 14 Aug 96

[FBIS Transcribed Text] Mostar, Bosnia-Herzegovina, Aug 14 (AFP)—Mostar's city council on Wednesday designated a Croat, Ivica Prskalo, as its sole mayor, in a bid to end the three-year-old ethnic division of the southern Bosnian city.

The council also named a deputy mayor, Safet Orucevic, who had been mayor of the Moslem part of the city.

All 37 members of the municipal council which convened for the first time Wednesday with Croats present voted for the two.

The council meeting was attended by journalists.

B-H: Christopher's Arrival Opens Sarajevo Airport

AU1508104496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 15 Aug 96

[Report on arrival of U.S. Secretary of State Warren Christopher at Sarajevo Airport by Senada Cumurovic—recorded]

[FBIS Translated Text] U.S. Secretary of State Warren Christopher was greeted by Prime Minister Hasan Muratovic at the Sarajevo airport and then in the airport building by President Alija Izetbegovic. Following brief talks, Izetbegovic and Christopher spoke to a large number of journalists and representatives of Bosnia-Herzegovina's political and public life who had arrived to attend the ceremony of the opening of the Sarajevo airport.

President Izetbegovic said that this was another step toward freedom and development which our people deserved. Izetbegovic also recalled yesterday's agreement in Geneva, the Constitution of the Mostar municipal council, and said that the role of the United States and

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Warren Christopher personally in all this was undisputed. I assure you that our government would do everything in its power to continue the positive trend, Izetbegovic added.

The U.S. secretary of state in his three-minute address said that the siege of the Sarajevo airport symbolized the isolation of the town and the opening of the airport for civilian flights was also one of the steps leading to the end of the isolation.

After the ceremony at the Sarajevo Airport, Christopher set off to tour the town.

B-H: Air Bosnia Plane Lands at Sarajevo Airport

AU1508112396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 15 Aug 96

[FBIS Translated Text] As we have already reported, an aircraft of the Bosnia-Herzegovina carrier Air Bosnia, flying from Istanbul, landed in Sarajevo shortly after 0800 this morning, thereby reopening the airport to civilian traffic after more than four years. The flight to Istanbul is also expected to depart today day. The aircraft will fly on the Sarajevo-Istanbul-Sarajevo route twice a week.

B-H: IFOR Inspection Team Reportedly 'Avoided' Mladic

AU1408135996 Belgrade BETA in Serbo-Croatian 1039 GMT 14 Aug 96

[FBIS Translated Text] Sarajevo, 14 August (BETA-REUTER)—An IFOR team that was supposed to carry out the inspection of the Han Pijesak military facility avoided the apparent possibility of encountering the commander of the Army of the Serb Republic, Gen. Ratko Mladic, who is indicted for war crimes.

According to the statement by IFOR spokesman Gen. John Sylvester, the Bosnian Serbs informed IFOR on Saturday [10 August] that Mladic was in Han Pijesak, and that the inspection of the local arms depot could be carried out only under his guidance.

He said that the members of the team decided that it would not be "wise" to attempt to arrest Mladic, as the IFOR mandate requires their members to do if they encounter indicted war criminals while performing their regular duties.

Sylvester said that the team was composed of seven IFOR members, including two colonels, and that they were armed only with handguns.

B-H: NATO Ends 'State of High Alert' in Serb Republic

LD1408224196 Belgrade TANJUG in English 2227 GMT 14 Aug 96

[FBIS Transcribed Text] Belgrade, Aug 14 (TANJUG)—NATO on Wednesday ended the state of high alert for its troops in Republika Srpska, but remains on high alert in the Muslim-Croat Federation, a NATO spokesman has said.

Major Thomas Moyer said the troops had returned to their regular duties, the Associated Press news agency reported from Sarajevo.

The state of high alert ended after a misunderstanding on the inspection of Bosnian Serb military sites had been resolved on Tuesday.

Implementation Force Ground Troops Commander Michael Walker said the inspection of the site had been successful.

NATO troops deployed in the Muslim-Croat Federation have been on high alert since Friday.

Quoting U.S. sources in Sarajevo, AP said the measure had been introduced after American intelligence had discovered a letter indicating a plan by Iranian terrorists to attack a NATO position in that part of Bosnia.

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Croatia: Tudjman Interviewed on Geneva Talks, Ties to FRY

LD1408230096 Zagreb HTV Television in Serbo-Croatian 1730 GMT 14 Aug 96

[Interview with Croatian President Franjo Tudjman by reporter Ljiljana Buljenac-Filipovic in Zagreb on 14 August—recorded]

[FBIS Translated Excerpt] [Buljenac-Filipovic] Can you comment on today's numerous bilateral meetings, the first with Secreary of State Christopher? [Passage omitted]

[Buljenac-Filipovic] Was there any discussion of the handing over of war criminals to the Hague tribunal?

[Tudjman] Yes there was. We said that Croatia has demonstrated its constructive approach but we pointed out that we expect international factors to be far more objective on this because this problem is such that it has political implications. So they cannot seek cooperation only from Croatia, without seeking it from the other sides as well. After all, Croatia has proven, and it will adhere to its own constitution and laws, but we expect the international community to be objective in this respect.

[Passage omitted]

[Buljenac-Filipovic] Are there any changes in connection with the forthcoming meeting in Belgrade after your talks with Slobodan Milosevic.

[Tudjman] No changes at all. My talks with President Milosevic were very brief. They took place in the presence of the Croatian and Yugoslav foreign ministers and it was concluded that, in the spirit of the political agreements we have reached, documents will be agreed which will allow Granic, deputy prime minister and foreign minister to sign an agreement on 23 August in Belgrade on full normalization and the establishment of diplomatic relations.

[Buljenac-Filipovic] Thank you very much.

[Tudjman] You are welcome.

Croatia: Tudjman Makes Statement in Zagreb on Geneva Talks

LD1408203996 Zagreb HTV Television in Serbo-Croatian 1730 GMT 14 Aug 96

[FBIS Translated Text] Croatian President Dr. Franjo Tudjman arrived at Pula Airport just before 1900. Our colleague Zeljko Korpar asked President Tudjman for any additional assessment of the Geneva talks.

[Begin recording] [Korpar] Good evening, Mr. President.

[Tudjman] Good evening.

[Korpar] News from Geneva confirms that the topics of your bilateral talks were the peaceful reintegration of, and the elections in, Croatia's Podunavlje, and the strengthening of the Federation, about which an agreement was reached. Can you tell the Croatian public anything more precise?

[Tudjman] I said something at the end of the talks in Geneva, but I think that this is yet another step forward for Croatian diplomacy and Croatian state policy. We had talks at a working lunch with representatives of the United States, Europe, and NATO, at which the speakers included U.S. Secretary of State Christopher, General Joulwan, and representatives of the OSCE and the EU. All three presidents who were present also spoke. We set out the problems which have arisen and the conflict of views, but in the end we can be very satisfied, above all with the joint statement signed between President Izetbegovic of Bosnia-Herzegovina and myself.

In the statement we confirm our determination to do everything to see that the elections are held in Bosnia-Herzegovina, and that steps are taken to revitalize the Federation in the spirit of both the Washington and Dayton agreements. As a result, it is necessary to transfer authority from the central Bosnian Government to the Federation, and at the same time from the Croat Republic of Herzeg-Bosnia to the Federation, in order to ensure the full equality of Croat people in the Federation and to be able to establish a new order in Bosnia-Herzegovina, which will signify the definitive ending of the crisis and allow the Federation to function as envisaged in the Washington and Dayton agreements. This also means guarantees for the Croat people in Bosnia-Herzegovina and the establishment of links between the Federation and Croatia.

There were clearly opposed views in the talks, but the statement I mentioned speaks for itself and it is a document which contributes to strengthening the relations we would like to see.

We also had useful talks with the Serbian delegation. President Milosevic also confirmed that he is sticking to what we agreed in our statement in Athens: documents will be prepared so that our foreign minister and the Yugoslav foreign minister can sign something, signifying a full normalization of diplomatic relations.

Taken together, all this should contribute toward the peaceful reintegration of Croatian Podunavlje and have a positive impact in terms of resolving the crisis in Bosnia-Herzegovina, and in terms of establishing the preconditions for a new international order and lasting stability and peace in this area.

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[Korpar] Thank you very much.

[Tudjman] You are welcome. [end recording]

Croatia: Serbs Refuse To Sign Draft Memorandum on ID Cards

AU1408171496 Beli Manastir Srpski Radio Network in Serbo-Croatian 1600 GMT 13 Aug 96

[FBIS Translated Text] At today's provincial government session, which is being held in Vukovar, it was stated that the current identification cards will be valid until the UNTAES [UN Transitional Administration for Eastern Slavonia] mandate expires. Here are the most important parts of the decisions as of 1600 [1400 GMT]:

The draft of the memorandum that is to regulate relations concerning identification cards states that the offices will be called UNTAES Centers for Issuing Identification in Accordance with the Regulations of the Republic of Croatia. According to the text of the draft memorandum, there will be centers in Vukovar, Ilok, and Beli Manastir during the [word indistinct] period, and receipt of the Croatian identification will be voluntary.

It should be emphasized that the provincial government made the decision not to sign the text of the draft, but it did express readiness for further talks concerning the resolving of the issue of identifications for the citizens in our province.

The provincial government also decided that a special delegation demand to talk to administrator Klein about the opening of the Udvar border crossing.

Croatia: Tudjman's Defeats Turn Him to Milosevic

AU1408134696 Rijeka NOVI LIST in Serbo-Croatian 10 Aug 96 p 2

[Commentary by Davor Gjenero: "Fascinated by the Belgrade-Zagreb Axis"]

[FBIS Translated Text] One should feel pity for Croatian President Franjo Tudjman. Recently he has been going through hard times, is facing a drastic fall in popularity and his lowest level of political support, and has suffered several very serious humiliations. After Wednesday, 31 July, when the authors of global politics showed him that his obsession—that he himself and his party are those who will "Europeanize" the Bosnia-Herzegovina Muslims—is not fascinating to the world, and after the U.S. President showed him where he belonged in the way he received Tudjman two days later, Tudjman desperately needs self-recognition.

On that Wednesday, when the second in charge of the Bosnia-Herzegovina Presidency and the vice president of the Croatian-Bosniak Federation arrived at the Presidential Palace in the Zagreb residential area of Pantovcak, in the company of two U.S. ambassadors—the ambassador to Zagreb, Peter Galbraith, and the ambassador to Sarajevo, John Menzies, who were present at this meeting as authorized by U.S. State Secretary Warren Christopher—and Michael Steiner, Bildt's deputy, one could not have put it more clearly that the United States and the European Union were supporting the requests with which Ganic was coming to Tudjman. We also know that his request was in fact the same request as the one stated in the letter President Clinton sent to the president of Croatia toward the end of June, to dissolve the parastate of Herzeg-Bosnia immediately and put the institutions of Herzeg-Bosnia under the control of the Federal Government. Thus is the weight of that support even greater. The request from Sarajevo arrived at the culminating moment of the new Mostar crisis, when the ultimatum of the European Union to the organization of Tudjman's Croatian Democratic Community in Mostar was slowly running out, to reconcile with having lost the elections, and stop putting obstacles in the way of the establishment of the Mostar local authorities.

Avoided Journalists

Proof of the success of this meeting, which perfectly clearly showed that the big world, America, and Europe see Sarajevo, and not Zagreb, as their main ally, was also that Tudjman was not able to receive journalists after the meeting. He has thus exposed himself to even greater humiliation, because three representatives of the "big world," certainly with the consent of Washington and the important circles of European politics, appeared at the news conference at the Bosnia-Herzegovina Embassy. The "distinguished American ally" received one more expression of "the ally's respects" very soon.

He was left with only 24 hours to prepare himself for "a working visit to the United States, which had been under preparation for a long time, and which would last several days." On Friday, 2 August, at 0900 American time, Tudjman was supposed to be at the White House and in a "friendly conversation" with the U.S. President. The conversation, lasting at most half an hour, and during which there was no time even for the protocol picture-shooting so that Tudjman could prove to his grandchildren that he really had met eight times with the U.S. President, only gave him enough time to promise that he would take care of getting his Mostar followers to stop blocking the municipal authorities, and that the dissolution of Herzeg-Bosnia would take place within six days. One more thing, speaking of the "triumphal" trip to Washington, where his hosts, it seems, did not

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even treat him to a cup of coffee, was that Croatian president had no strength to answer the potentially embarrassing questions of the foreign journalists, but talked to a congregation of journalists in the peaceful atmosphere of the Croatian Embassy, among which the only figure recognizable to the [Croatian] public was that of Kresimir Fijacko.

To travel to the United States only to give a promise to Clinton, in a half an hour, that he would fulfill what for more than a month had been politely asked from him through regular diplomatic channels, and afterwards to hold a news conference for Kresimir Fijacko and some anonymous types from his suite, must be a serious humiliation to Tudjman's vanity.

Radical Party Faction

Moreover, if we add that he dared not admit to the public what he had promised in the United States, because the radical party faction that he had enabled to gain power both over the party structure and over the repressive state apparatuses, and over the quasi-public as well as over the essential economic resources, will not forgive him anyway.

There is truth in the statement that in the United States it was recognized that Croatia belonged to Central Europe, although Croatia was situated on the Balkans, and that this was a great success of this trip, which was the result of long preparations. Croatia could gain recognition in Central European circles only if she denounced Tudjman's obsession of spreading onto Bosnia-Herzegovina territory, and got rid of the Balkan component that now is in control of her political development. The scandalous speech in Knin on 5 August, with which on one side he proved his tragical lack of social and scientific education through a ridiculous buildup of the Croatian political position based upon medieval legends, from times preceding the establishment of nations in their modern sense, and on the other allowed himself several shocking excesses, like the one in which he said that last year we had found Knin "clean," as it was in the time of Zvonimir [Croatian king], or the one about the royal towns of Bihac and Jajce and "Croatian sovereignty over them," could not wash away the taste of two defeats.

Ceremonial Recognition

The meeting with Slobodan Milosevic was an ideal compensation for a week-old defeat. The only "success" Tudjman can hope for, and which his authority is capable of achieving, is the agreement on mutual recognition of Croatia and Milosevic's Yugoslavia. We know that one of the basic objectives of the Croatian leadership is that by the end of this year the UN administration's mandate over Croatian Podunavlje [River Danube basin] expires. Ceremonial recognition, by which Milosevic would officially withdraw any claim of aspirations toward this territory, is not without significance. Of course, the reintegration of this territory into the legal and state system of Croatia is also possible without currying favor with Milosevic, but that carries a price Tudjman is not willing to pay, and also demands skilfulness he and his regime are not qualified for. Only two days earlier in Knin, he clearly showed that his Croatia is not ready for the return of the Serbs who fled from the liberated territory. The National Assembly, in which his radical followers make the majority, he has already cancelled the Constitutional Law on the Rights of Ethnic Communities and Minorities, which gives territorial autonomy to the Serb minority in two districts: in the district of Knin, and in the district of Glina.

U.S. Ambassador to Croatia Galbraith has on several occasions clearly said that the international opinion was that the Serbs who had lived somewhere in Croatia, and whom the occupational authorities moved to Baranja during the war, had the right to stay there if the Croatian authorities did not provide for their return to their homes, and if the Croatian authorities did not enable them to reconstruct their homes under the same conditions as the refugees who are Croats. If Croatia will not accept that there is a catch-22 in the Erdut-Zagreb agreement, because the agreement opens up the possibility of creating territorial autonomy for the Serbs in the Baranja-Vukovar area.

"Cleansing the Surplus" of the Serbs

What could Tudjman offer Milosevic? If we know that the arbitration about the destiny of Brcko is currently on the agenda, as it was not solved in Dayton, it seems logical that in return for Tudjman's [as published] guarantee that he would "cleanse" Podunavlje from the "surplus" of the Serbs, Tudjman promised his support to the Serbs to obtain rule over Brcko, a city on the "corridor" in Bosnian Posavina, in which they were only a negligible minority before the war.

One also claims that the Serb political plan envisages that Brcko would become the "Serb capital" in Bosnia, as a compromise between Banja Luka and Pale, but also as the symbol of triumph of Milosevic's policy of genocide and changing the ethnic structure of the population. Moreover, one obviously discussed Prevlaka, too, which was not made secret, not even in the statement after the meeting.

At Dayton Tudjman had already promised Prevlaka, and perhaps even a part of Konavle, to Milosevic,

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as the access to the sea for the Bosnian Serbs. After the courageous public appearance of General Anton Tus, who clearly proved that it was absurd to talk about swapping this precious territory for the worthless rocky ground of the Dubrovnik hinterland, with an argument that he was trying to provide for the security of Dubrovnik, Tudjman had to give up this exchange temporarily, under public pressure. Now, after Susak and his radicals have removed Tus from his office, this exchange is possible. Finally, the radicals, upon whom Tudjman depends more than upon public opinion, would not oppose that exchange, particularly if in that way one could establish a more firm alliance between the not yet dissolved "Herzeg-Bosnians" and the Serbs, which could lead to the annulment of the present Bosniak successes in restraining "secession-oriented" Herzegovinian politicians.

Tied-In Sale

Tudjman has never tried to hide his fascination with the "Belgrade-Zagreb axis." The meeting with Milosevic should strengthen it, of course, at the expense of Bosnia-Herzegovina, and Bosnian (not Herzegovinian) Croats and Bosniaks. Tudjman perhaps does not know that the establishment of that axis is a process opposite to that of putting Croatia into the context of central Europe, opposite to that toward which he stepped by his consent to dissolve Herzeg-Bosnia and the results of the elections in Mostar. If he can comprehend that, he could have "realized" that there is no room for uneducated, pretentious rulers inclined to authoritarianism in Central Europe, so that this Central Europe is not interesting to him, except on the level of a political phrase, because it has nothing to offer him.

Milosevic, a mostly isolated Balkan tyrant, could help him get rid of the bitter taste of diplomatic defeats, but also enable him to improve his unenviable internal political rating. By a tied-in sale in which Milosevic would help Tudjman in the "peaceful reintegration" of Croatian Podunavlje, Tudjman would, on the eve of the presidential elections next year, win a chance to significantly improve his bad position in the eyes of his people.

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Poland: More on Reaction to Eliach Article on Massacre of Jews

WS1408141396 Warsaw TRYBUNA in Polish 14-15 Aug 96 p 6

[Report and commentary by Zygmunt Slomkowski: "More Slanders; THE NEW YORK TIMES Censors the Polish Embassy"]

[FBIS Translated Text] *The Tuesday edition of THE NEW YORK TIMES published a letter by A. Jaroszynski, deputy to the Polish ambassador to the United States. Mr. Jaroszynski provided explanations concerning the allegations made in the article by Yaffa Eliach about the death of her mother and brother in Ejszyszki, Vilnius region, in 1944.*

As the POLISH PRESS AGENCY reports, the letter shows the circumstances in which that event took place; the author points out that it had nothing to do with anti-Semitism and recalls the steps the Justice Ministry has taken to obtain an account of the events from Eliach.

However, THE NEW YORK TIMES editors censored the letter, leaving out the parts that described Y. Eliach's experiences as "a painful personal tragedy" as well as the statement that "everyone who has humane feelings must be deeply shaken" by her story. The editors also failed to include the statement that read "in the request, which the Polish Justice Ministry directed to the Office of Special Investigations of the U.S. Department of Justice, there was nothing that could be interpreted as an attempt to undermine Ms. Eliach's credibility."

For reasons known only to them, the editors considered it right to publish the letter by the Polish Embassy between two anti-Polish slanders that appeared as letters from readers. The author of one of them "discovers" that, on 10 July 1941, in just one small town, "local Poles" burned alive 1,600 local Jews! The other quotes some unknown document and announces that "the pogrom in Ejszyszki" (as the spokesman of the World Union of the Home Army [AK] Soldiers said in a statement we have published, two people out of the 30 Jews who lived in Ejszyszki at that time were accidentally killed) was not an isolated incident but an organized campaign to implement the Nazi "final solution of the Jewish problem in Poland; this campaign was planned during the war by the underground anti-Semitic AK and nationalist armed forces." The author of the letter adds that "in 1943 the leaders of the Polish underground organizations prepared plans of eliminating the Jews who would survive the war."

As can be seen, the campaign started by Ms. Eliach is intensifying. One can only deplore the fact that a respected U.S. daily has become an active participant in it; this daily is making its contribution to the process of juggling the history, the history that is so painful to Poles and to Polish citizens of Jewish origin. One is tempted to suspect that there are Jewish circles in the United States that want to prevent the common Polish-Jewish past from being clarified, that there are circles that want to whip up bad emotions and that are clearly trying to throw sand into the spokes of the developing Polish-Jewish dialogue.

All manifestations of anti-Semitism (such as the sermons delivered by Father Jankowski or the recent shameful television defense of the criminal operations carried out by the "Fire"), no matter whether they refer to the past or to the present, are widely condemned in Poland—also in TRYBUNA. Just like the United States, France, or Germany, Poland is not free from this cancer. Nonetheless, it would be false to make generalizations from the attitudes and activities of individual people and to burden the entire society with them or, as the author of one of the aforementioned letters does, put the burden on the entire AK. This stains the memory of those who during the murky days of the Hitler occupation lost their own lives for protecting Jews; it also offends those whose names can be seen in Yad Vashem as "the Just Among the World's Nations."

Poland: Cimoszewicz Seeks Increased Defense Spending

LD1408221496 Warsaw PAP in Polish 1428 GMT 14 Aug 96

[FBIS Translated Excerpt] Warsaw, 14 Aug (PAP)—Prime Minister Wlodzimierz Cimoszewicz has said on the eve of Polish Army Day during a visit to the 2d Mazowiecka Sappers Brigade in Kazun near Modlin (Warsaw Province) that in next year's budget the government wants to guarantee an increase in the resources available for purposes connected with the defense capability of the Polish Army—in other words, above all, for equipment and munitions for the Army.

When asked about the possibility of implementing the Sejm resolution on increasing expenditure on defense to 3 percent of the gross domestic product by 1997, the prime minister said that it is easier to accept justified resolutions than later to have to divide up resources from the state budget. "One should view this resolution as being an expression of concern and good intentions," Cimoszewicz said, adding that, when examining the budget, it is parliament that will make "a hellishly difficult choice between the various social needs that are financed by public money." [passage omitted]

During the meeting with the prime minister, officers of the brigade commanded by Colonel Janusz Lalka

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spoke of their fears and problems stemming from a shortage of money, delays in the transfer of money, and problems with equipment that is often out of date and very expensive to replace and supplement. The servicemen also complained that many rights that they were still able to enjoy several years ago have been removed. The prime minister stressed that the commitments undertaken in the budget must be in proportion to the possibilities of carrying them out. He added that "the rate of increase in earnings in the Army is not in the lowest bracket."

Commenting on fears expressed by servicemen about civilian control of the Army, Cimoszewicz expressed the conviction that, on the one hand, the Army has to adapt to new rules from which there will be no turning back, while, on the other, politicians have to become mature enough to carry out the obligations arising from their control of the armed forces. He noted, however, that understanding for the needs of the Army is growing among Polish parliament members and representatives of the executive authorities.

The head of government noted that the organization and numerical composition of the Polish Army will depend to some extent on its future position in NATO structures. [passage omitted]

The prime minister was accompanied during his visit to the brigade in Kazun by Deputy National Defense Minister Tadeusz Grabowski, Lieutenant General Julian Lewinski, commander of the Warsaw Military District, and Colonel Ryszard Zuchowski, chief of the Engineering Troops at the General Staff of the Polish Army. [passage omitted]

Asked about the reasons for the delay in the decision to sell Polish tanks to Bosnia, Prime Minister Wlodzimierz Cimoszewicz told reporters that the Polish authorities wanted to think through all aspects of this undertaking and familiarize themselves with the details of the U.S. proposal on this matter.

The prime minister denied press allegations that the delay is the result of red tape, confusion, or a lack of coordination in this matter between individual ministries.

Cimoszewicz noted that the proposals of the U.S. side were presented to the defense minister "not so long ago," and he informed the president, the prime minister, and the foreign minister of this. Confidential talks were also held with the Americans.

"The matter was and still is very sensitive," the prime minister said, stressing that West European countries have not decided to take part in undertakings of this kind. "Before it makes any decision, Poland would like to know the details of the proposal and of the whole undertaking. This stems from the responsibilities of the state authorities," the prime minister added.

Cimoszewicz said, "On the one hand, Bosnia is a state in which, let us hope, the situation will gradually return to normal and in which the parliament and government resulting from the elections in September will be in a strong position. But, on the other hand, this is an area that continues to be exceptionally sensitive, and one should not behave there like a bull in a china shop but should try to think through as many aspects as possible of any action."

According to press reports, the Bosnian proposal to purchase 40-45 Polish tanks was put forward to Poland several months ago. They were to be purchased from a special NATO fund designed to balance the military potentials on the territory of Bosnia or on the basis of a barter agreement guaranteed by the NATO states. The press is suggesting that one of the reasons the Polish authorities are delaying the decision on the transaction is that they fear a sharp reaction from Serbia and from Russia, which is backing it.

Poland: Air Force Could Still Buy U.S. Hellfire Missiles

WS1408125996 Warsaw SZTANDAR in Polish 14-15 Aug 96 p 1

[Article by Wojciech Luczak: "The Israelis Have Won the Bidding, but the Contract May Be Signed by the Americans; Weapons for the Huzar Helicopter"]

[FBIS Translated Text] *The Israelis have won the race to supply our Armed Forces with a few thousand antitank missiles for more than $500 million. However, it is the Americans who may finally sign the contract.*

Until recently, the media widely reported on the process of choosing a modern antitank missile for our Huzar assault helicopter. The issue outraged public opinion (the press wrote about bribery and corruption at the highest levels of the state authorities). It cannot be ruled out that the ending of the so-called missile affair may be really surprising.

According to Polish experts, we rejected the U.S. Hellfire and chose the Israeli NT-D missile because it is more modern and may have great capabilities in the future. As we have been assured by Deputy National Defense Minister Krzysztof Wegrzyn, negotiations on the contract with the consortium of Israeli companies, which offered a missile along with guidance and aiming systems, were to be completed by the end of July. In the meantime, we found out that the negotiations preceding the final version of the trade contract have not been finished yet. Thus, it looks like there is little chance of

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signing the final document with the Israelis in August or September.

There is unofficial talk that our potential Israeli partners drew up a "missile contract" that was extremely disadvantageous to us, and, naturally, it was unacceptable to us. A large part of the financial risk related to the development of the NT-D prototype and the installation of the electronic systems in the helicopter was reportedly to be taken by the Polish side.

In such a complex situation, the U.S. Hughes concern has presented the draft of a favorable contract with Poles concerning the integration of guiding and aiming systems in the helicopter, which makes it possible to install not only the Israeli missiles, but also U.S.-made Hellfire and TOW missiles. The Polish arms industry, which is tired of the negotiations with the Israelis, is turning to the Americans. This may mean that after much perturbation the Huzar helicopters will receive the Hellfire missiles that were previously turned down.

Poland: Army Shrinks to Some 250,000 Servicemen

LD1408221596 Warsaw TV Polonia Network in Polish 1730 GMT 14 Aug 96

[FBIS Translated Excerpt] On the eve of Polish Army Day, Prime Minister Wlodzimierz Cimoszewicz has said that in next year's budget the government wants to increase the money spent on equipment and munitions for the Army. The prime minister was the guest of the 2d Mazowiecka Sappers' Brigade in Kazun near Warsaw. [passage omitted]

In June, the government declared that every year it would increase the budget of the National Defense Ministry by 3 percent over and above the real increase in the national budget. It is also to present a bill on the development of the Armed Forces together with the money needed for this for a five-year period. The Polish Army has been subjected to great reform for six years now. Its structure and command methods are changing. About 250,000 soldiers are serving in the Army; six years ago there were almost 420,000. The equipment stock is also being reduced: We have 1,730 tanks, 1,570 armored personnel carriers, and 440 planes. Most of this equipment is not state-of-the-art. [passage omitted]

Poland: Cabinet Approves Bill on Protection of Personal Data

WS1508075396 Warsaw RZECZPOSPOLITA in Polish 14-15 Aug 96 p 2

[Article by Ma.S.: "The Council of Ministers Approves; Personal Data Protected"]

[FBIS Translated Excerpt] [Passage omitted] The work on the law on protecting personal data has been under way for a long time now. Both the Waldemar Pawlak cabinet and the cabinet formed by Jozef Oleksy dealt with the draft law. The Cimoszewicz Cabinet has tried to adopt this bill several times.

Deputy Internal Affairs Minister Jerzy Zimowski told journalists that the legal regulations now in force are only partial and do not guarantee protection of personal data. In line with the bill the Cabinet adopted on Tuesday [13 August], citizens will have the possibility of checking what kind of information is being collected and who is doing it. The draft law specifies that these data can be collected and processed only if the citizen concerned consents (collecting and processing such data without such permission is allowed only if this is in the public or social interests and does not violate civil rights and liberties).

Personal data are defined as all information about a natural person whose identity is specified or whose identity can be determined on the basis of this information. A person collecting personal data is obliged to notify the person concerned that he is doing it; such a person must also quote the legal regulation on the basis of which he is doing it. The legislators propose the establishment of the post of inspector general for protection of personal data a person who would have both inspection and decisionmaking powers. In line with the new regulations, we are to witness the process of standardization as far as collecting, storing, preparing, and giving access to personal data are concerned. The legislators followed the models used in legal acts of the EU.

Minister Zimowski said that the most serious collections of personal data include the following: marital status books, registers of passports issued, lists of people to whom the general duty of defense applies, registers of changes in names, surnames, and citizenship, as well as registers of children who go to elementary schools and young people in high schools or universities. Other widely known collections of such data are the register of bank accounts, land and mortgage registers, driving licenses, registers of people who are receiving benefits from the Social Security Agency, and others. [passage omitted]

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Romania: 'No Full Agreement' in Coalition on Treaty With Hungary

LD1408123396 Budapest Kossuth Radio Network in Hungarian 1000 GMT 14 Aug 96

[FBIS Translated Text] There is no full agreement on the Hungarian-Romanian basic treaty within the Romanian Government coalition. Tibor Bogdan reports from Bucharest:

[Bogdan] According to Adrian Nastase, executive chairman of the Social Democracy Party of Romania, the senior government coalition party, the signing of the basic treaty would be useful at any time, if it is sensible, that is to say, if it rules out ethnic-based autonomy and collective rights.

However, Gheorghe Funar, chairman of the other government coalition party, the Romanian National Unity Party, is opposed to signing the document before the November elections. According to Funar, the compromise which is about to take shape over the Council of Europe's Recommendation 1201 is equivalent to treason. Therefore, by taking this step the signatories of the basic treaty would put an end to their own political careers, Funar thinks.

At the same time, Gyoergy Frunda, the presidential candidate of the Hungarian Democratic Union of Romania [UDMR], said that the UDMR supported the treaty providing that the document guaranteed the rights of Hungarians, including territorial self-determination [Hungarian: teruleti oenrendelkezes]. This, however, does not mean ethnic-based autonomy. This only means autonomy for local and regional communities. Particular problems related to the use of the mother tongue, bilingual signs, and place names will have to be solved within the communities in areas where ethnic minorities also live, Frunda said. He also thought that Recommendation 1201 should be binding for Romania.

Romania: USD Cites Its Contribution to Treaty With Hungary

AU1408173396 Bucharest Radio Romania Network in Romanian 1600 GMT 14 Aug 96

[FBIS Translated Text] A fax received from the Social Democratic Union [USD] and signed by Petre Roman, president of the Democratic Party [PD], stresses, quote: This party has consistently worked and made its own contribution to clarifying the interpretations of the concept of autonomy, including Recommendation 1201, namely—nonadmission of the territorial autonomy on ethnic criteria and nonadmission of the concept of collective rights for the minorities.

The fax expresses the conviction that it is in the highest interest of our country—which is strongly striving to join NATO and the EU—that the good relations between Romania and Hungary, which are also expressed by the conclusion of the basic treaty, should endorse the idea that there must be no differentiation in their Euro-Atlantic integration efforts.

Romania: PUNR Opposes Treaty, Calls for Referendum

AU1408173296 Bucharest Radio Romania Network in Romanian 1600 GMT 14 Aug 96

[FBIS Translated Text] In a communique released today, the Romanian National Unity Party [PUNR] speaks out against the inclusion of Recommendation 1201 of the Council of Europe—including its interpretation—in the treaty with Hungary. Likewise, the PUNR speaks out for concluding this treaty only after certain conditions are fulfilled and after the draft treaty is presented to the political parties and the Foreign Policy Commission of the Parliament.

The PUNR communique suggests that the draft Romanian-Hungarian treaty should be submitted to a nationwide referendum, to be held on 3 November, at the same time as the parliamentary and presidential elections.

Romania: Hungarian Democratic Union Leader Views Treaty

LD1508122996 Budapest Kossuth Radio Network in Hungarian 0500 GMT 15 Aug 96

[From the "Chronicle" program]

[FBIS Translated Text] Reports of yesterday's agreement [on the Hungarian-Romanian treaty] have been received with surprise and reservations in Transylvania. Peter Marvanyi reports.

[Marvanyi] The chairman of the Hungarian Democratic Union of Romania [UDMR] was surprised by the timing of the agreement. He told "Chronicle" that it was unusual that an important document—which would not be ratified and implemented by the signatory government, for the Romanian Government will presumably change after the autumn elections—was being drafted virtually during the election campaign. Although Hungarian diplomacy consulted the UDMR about the basic treaty on several occasions over the past few weeks and showed the UDMR the previous drafts, the UDMR chairman is not yet acquainted with the text that the sides have now agreed upon.

The UDMR is of the view that the basic treaty must contain the principal frameworks that guarantee the

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forms of autonomy demanded by the UDMR in the long term, such as recommendation No. 1201 of the Council of Europe. However, the UDMR cannot agree if it is given a narrow interpretation.

Apart from the principal frameworks, the basic treaty must contain important concrete issues on education in the mother tongue, language use, and the return of church and community assets.

The UDMR will soon begin to examine whether the draft text of the treaty coincides with the position of the UDMR.

Romania: UDMR Leader Outlines Election Goals, Strategy

AU1408125496 Bucharest CURIERUL NATIONAL in Romanian 12 Aug 96 p 3

[Report by MEDIAFAX: "The UDMR Will Not Receive Funds From Hungary's Budget for Its Electoral Campaign"]

[FBIS Translated Text]

Next Week They Will Finish Collecting Signatures for Gyorgy Frunda's Candidacy

According to a report by the UDMR [Democratic Union of Hungarians in Romania] electoral staff presented to party officials responsible for the campaigns of various UDMR branches, a sufficient number of signatures will be collected by next week to back Gyorgy Frunda's candidacy for the Romania presidency.

Takacs Csaba [UDMR executive president] said the lists supporting Frunda also include signatures of citizens living in counties with a Romanian majority population, such as Dolj, Arges, and so on.

Furthermore, the head of the UDMR electoral campaign requested that all ethnic Hungarians living in Romania engage in a "general mobilization" to give financial support to the party's campaign.

UDMR Executive President Takacs said he hopes all ethnic Hungarians will help the best way they can. "Candy store owners should offer what they can, and restaurant owners should help as much as they can," added Takacs.

In its electoral campaign, the UDMR will not have any principal sponsor and will be given no funds from Hungary's budget. Takacs was unable to name any precise amount of money to be spent on the UDMR electoral campaign.

Their Electoral Slogans Will Be Addressed to Romanians and Ethnic Hungarians

UDMR candidates will run for parliamentary seats in every county of the country, stated Mr. Takacs during the UDMR electoral staff meeting on Saturday.

By the end of next week they will work out the UDMR electoral message and slogans they will use to introduce themselves to the electorate.

Takacs added that the slogans must be addressed to both Romanians and the ethnic Hungarians and should be comprehensible for the Romanian majority as well.

Their electoral message will be centered on three main issues: Romania's integration into NATO and EU structures; an alternative plan to resolve Romanian's economic and social problems; and a message for the ethnic Hungarian community calling on them to live peacefully with the Romanian majority but also for the rights of ethnic minorities to be observed.

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Slovenia: Strategy for Foreign Trade Relations
AU1408201496

[FBIS Report] Ljubljana DELO in Slovene in its 3, 6, 7, and 8 August editions, on page 3 of each edition, carries an approximately 3,500-word article in four installments by Ljiljana Djeric, examining the main points of "The Strategy of Slovenia's Economic Relations With Abroad," which was made public on 1 August and has, over a period of nearly one year, been written by "several tens of domestic and foreign experts." The document reportedly runs to over 1,000 pages.

"Although the document's subtitle reads 'From Associate to Full-Fledged EU Membership' and its authors devote special attention to future relations between Slovenia and the EU, the document sets the framework for the long-term economic relations with the world that are essentially the same regardless of whether our country becomes a full-fledged EU member or not in the course of the next few years." Out of six extensive chapters, two are reportedly devoted to the EU, which has a 67.2-percent share of Slovene exports and a 68.9-percent share of imports and also accounts for "nearly all foreign capital in Slovenia."

"The document is divided into six thematic chapters. The authors first define the departing stance and the goals of Slovenia's economic relations with the world. Then they deal with the main categories of this strategy, such as international trade in goods and services, direct foreign investments, the internationalization of the Slovene companies, the exchange-rate system and policy, the balance of accounts, the international flow of capital and monetary policy, the role of commercial banks in economic relations with abroad, the protection and taxation policy, the duty-free customs zones and offshore centers, the competitiveness of exporters, the role of the state, and so forth. The third chapter is devoted to Slovenia and the EU, the fourth to the relations of our country with other integrations, the fifth to the strategy of Slovenia's cooperation with more important countries, and, ultimately, the authors, in a special chapter, state what should be done in Slovenia—that is, how we should organize ourselves most effectively to be as ready as possible for entry into the EU," Djeric writes.

"The EU members will maintain their dominant role in the economic relations of our country with abroad. However, it is possible that their share in our international trade, which is, of course, expected to increase, may decline. The neighboring countries will continue to be the second-most-important group of countries in Slovenia's economic relations with abroad, and their significance is supposed to grow in the future. The third group will consist of the countries that have emerged on the territory of the former SFRY. These are small markets that, as the analysts forecast, will develop gradually over the next few years and will be the fastest growing segment of Slovene exports. As a result of this, the share of these countries in Slovene foreign trade will increase. However, it will never be as high as it was before the breakup of the former joint state. The CEFTA [Central European Free Trade Association] market is expected, due to the dynamic development of its members and the admission of the new members, to expand faster than the EU's in the future and will in the medium-term (but not in the long-term) become more significant. Of course, CEFTA can in no way be an alternative to the EU. Other countries—with the exception of the United States, Russia, Switzerland, Canada, and Japan and perhaps some newly industrialized developing states—will not be more significant Slovenia's economic partners either in the medium or the long term."

As the article further explains, "The fundamental goal of 'The Strategy of Slovenia's Economic Relations With Abroad' is, therefore, to consolidate the position of the Slovene economy in the EU, to return to some of the markets in the former SFRY, to increase considerably our presence in the U.S. and CEFTA markets, and to selectively (with individual products) penetrate other markets of the non-European OECD counties and the developing countries parallel to the most dynamic possible economic growth." In this light, the authors of the document also write about the need for a diversification of Slovenia's international economic relations. Diversification is supposed to run parallel to an absolute increase in cooperation with the existing most important partners—however, with faster growth of trade with the potentially important countries. These are the countries on the territory of the former SFRY and the Soviet Union, the CEFTA members, the United States, Japan in individual segments, "the Asian Tigers," and the affluent oil exporters.

As Djeric writes, the authors anticipate that the initial costs "connected to the process of adjustment to the joint market and learning the EU 'rules of the game' will neutralize the beneficial effects of the increased social affluence. However, one can expect the medium- and long-term effects: greater economic growth, greater interest of investors in Slovenia, increased competitiveness and, consequentially also supply, reduced obligations for the budget, and lower transaction costs." As she says, "The authors admit that, in the process of opening the Slovene market, the foreign companies from the present EU will, because of greater competitiveness, have greater benefits than the Slovenes. However, ours will be a relatively

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small market that will open for them, while the internal market for the Slovene companies will grow by 350 million consumers." The strategy hopes that the "harsh competition" to which the Slovene companies will be subjected will encourage "their restructuring and introduction of better management and operation techniques in all sectors."

According to Djeric, the strategy believes that the power industry, agriculture, the service industry, finance, and telecommunications are expected to be affected most by the integration.

The strategy lists the following priority tasks that Slovenia should complete before EU entry:

" —completion of the process of macroeconomic stabilization, which will facilitate long-term economic growth and social development;

" —the qualification of the enterprises and finances for the competition;

" —reform of the state sector (primarily tax reform and reform of the social security system, including pension insurance);

" —completion of the legal and institutional reform;

" —identification of the economic sectors capable of meeting the EU competition and those that will not withstand the competition without foreign strategic partners."

In the continuation of her report, Djeric writes: "Although 'The Strategy of Slovenia's Economic Relations With Abroad' lists our country's full-fledged membership in the EU as the priority task, in case that is not realized in 10 years, the document also outlines other alternatives for our economic linking to the world. The reserve variant is European Free Trade Agreement [EFTA] membership, though which we would then access the European economic area. As for CEFTA, of which we are already a full-fledged member, the authors of the document, among other things, write that its expansion would be in Slovenia's interest—however, not the deepening of the integration processes that might lead to the creation of 'a parallel EU.'"

"As for economic cooperation with the regions outside Europe, the authors of 'The Strategy of Slovenia's Economic Relations With Abroad' propose that the Slovene economy should focus its interest on the target states and not on their trade associations. The only possible exception might be NAFTA," the article says.

"Slovenia's involvement in the international exchange of services is below average, and the range of these services is also poor because it mostly boils down to tourism, transport, and construction services. For that reason, we would need to nearly double and improve the range of import and export of services over the next few years. According to the optimistic projection by the Institute for Macroeconomic Analyses, our country would export $3.9 billion worth of services and import $2.26 billion in 2005.

"We cite the assessment and the projection from 'The Strategy of Slovenia's Economic Relations with Abroad,' which, in the optimistic and the pessimistic variants, envisages that, over the next few years, the exchange of services will grow more rapidly than trade in goods. According to the assessment of the Institute for Macroeconomic Analyses, Slovenia, if the stars are favorably disposed toward it, will by the year 2005 increase its annual exports to $15.3 billion and its imports to $17.5 billion (the coverage of exports with imports will thus be 87.4 percent). A pessimistic projection envisages an increase of exports by the year 2005 to $12.6 billion and imports to $14.3 billion (an 88-percent coverage). Both projections envisage a little more dynamic growth in the import rather than the export of goods, but the situation is supposed to be exactly the reverse regarding services. The strategy of our country's economic relations with abroad cites three main strategic directions in Slovene international trade—namely, efforts to maintain the most even of trade balances, faster growth of trade with countries that are not EU members, and an increase in value-added exports.

"Regarding the trade in services, the authors of the document warn that deregulation and competitiveness are essential. Regarding the breakdown of the import and export of services, they emphasize that we will have to primarily import those services that will boil down to the transfer of technology and knowledge and, in export, that accelerate the adjustment to the technical standards, upgrade the offer of traditional services, and introduce new services with increased added value.

"Due to its small size, Slovenia is at a disadvantage even in the markets to which it exports the most (primarily the EU) because of its very small share in the imports of these countries. Slovenia's overall export effectiveness on the EU market is substandard—that is, at the level of Hungary—which means that our products on these markets are fetching lower-than-average prices. On top of this, the Slovene exports are structurally not sufficiently harmonized with the imports of the EU members. The authors of 'The Strategy of Slovenia's Economic Relations With Abroad' also warn that our economy cannot build its export orientation primarily on cutting prices and costs, but on qualitative elements in production and marketing, technological development, and redirection into higher price classes.

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The competitiveness of the Slovene exporters abroad will continue to depend most on the companies' efforts, which the state must complement correspondingly and assist with its activities. The companies will need to specialize their production and work in smaller series, assert their own trademarks (which means an increase in quality, innovativeness, and technological progress in general), establish their own trade network abroad, and cut labor costs."

As Djeric writes in conclusion, "The authors of the document are not favorably disposed toward the offshore centers. They believe that, as regards taxation and customs regulations, the entire Slovenia is rather close to the concept of these centers. However, they propose 'onshore' centers (which means acting in accordance with the prevailing legislation) for financial services, which should be aimed at the countries in transition. To put it simply, Slovenia would become a sort of Central and East European Luxembourg because its financial services are considerably better developed than in the other countries in transition."

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Federal

Federal: Lilic Schedules FRY Assembly Elections for 3 Nov

AU1408150296 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 14 Aug 96

[FBIS Translated Excerpt] Esteemed listeners, a few minutes ago we received an announcement issued from the cabinet of FRY President Zoran Lilic which says the following:

On the basis of the rights and obligations I have according to Article 96 of the FRY Constitution, I convene elections for deputies of the FRY Assembly Chamber of Citizens for 3 November 1996, considering the fact that elections in the Republic of Montenegro have been convened for the same date and that it is most rational, from the point of view of costs and efficiency of the elections, to hold the elections at the FRY level on the same date. The climate factor is certainly not insignificant, considering the experience from past elections, which have mostly been held in deep winter, something that made it impossible for a significant percentage of our citizens to fulfill their basic right and obligation of voting and being voted for, both in republican and federal institutions. I was particularly led by the need to leave everybody, the parties and individuals who will run at the forthcoming elections, enough time to offer their electoral programs to FRY citizens. [passage omitted]

Esteemed listeners, this was an explanation of the decision issued by FRY President Zoran Lilic to convene the elections for the Federal Assembly. As you have heard, the elections for deputies of the FRY Assembly Citizens Chamber will be held on 3 November. The terms for all electoral proceedings for deputies of the FRY Assembly Citizens Chamber will commence on 15 August 1996.

Federal: Milosevic Sees Reason for 'Optimism' About Elections

AU1408174396 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 14 Aug 96

[Statement by Serbian President Slobodan Milosevic in Geneva on 14 August—recorded]

[FBIS Translated Text] The talks held by President Slobodan Milosevic, Croatian President Franjo Tudjman, and Muslim leader Alija Izetbegovic ended in Geneva late this afternoon. President Slobodan Milosevic also talked with U.S. Secretary of State Warren Christopher. After the Geneva talks ended, President Slobodan Milosevic made the following statement:

[Milosevic] We had very detailed talks about all main issues regarding the implementation of the Dayton agreement. I may say that, in the case of all sides, without exception, a firm resolution emerged to have the Dayton agreement be strictly implemented in full and completely.

As for the main question that was at the center of attention, the question of the preparations for the forthcoming elections that question will be permanently on the agenda in the coming month, right until the elections. It is certain that, in this respect, all sides should make further steps, above all in the direction of enabling freedom of movement and creating normal and regular conditions for holding the elections.

It is without doubt that holding the elections, through which new legally-elected institutions will be established both in the Serb Republic and in the Muslim-Croat federation, as well in Bosnia-Herzegovina as a whole, is in the interests of both the citizens of the Serb Republic and the citizens of the Muslim-Croat federation and that, in this aspect, there is an undoubted need for both entities' bodies to do everything necessary with a view to creating the conditions for this to happen in that way.

I have an impression that there is reason for us to expect with optimism these forthcoming elections and the further development of the situation, which will ensure complete peace in Bosnia-Herzegovina. At the same time, everybody will be turning to a regular, normal life and economic development, which is in everybody's interest.

Federal: Democratic Party Says Opposition To Win 3 Nov Elections

AU1408201296 Belgrade BETA in Serbo-Croatian 1506 GMT 14 Aug 96

[FBIS Translated Text] Belgrade, 14 August (BETA)—Slobodan Vuksanovic, spokesman of the Democratic Party (DS), stated today regarding the announcement of the federal elections on 3 November, that the DS is happy that the elections are going to take place, because "this means that the rule of the Socialists will be shorter as they are going to lose the elections."

"The DS takes the view that, in the next two weeks, an agreement must be reached on the joint appearance at the federal level of all democratic opposition parties in Serbia and Montengro, which are the Serbian Renewal Movement, the Democratic Party of Serbia, the DS, the Civic Alliance of Serbia, the People's Party of Montenegro, and the Social Democratic Party of Montenegro," Vuksanovic said, according to the DS Information Center.

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Vuksanovic expressed the belief that the "Together" coalition, strengthened in this way and with the help of prominent individuals, will beat the Socialist, the Yugoslav Left, and the extremists all hollow, and that 4 November will mark the birth of a new democratic Serbia and Montenegro.

Federal: Bozovic Criticizes Continued Sanctions Against FRY

LD1408173496 Belgrade TANJUG in English 1714 GMT 14 Aug 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Aug. 14 (TANJUG)—Yugoslav parliamentary official Radoman Bozovic said Wednesday that the continued partial implementation of sanctions against Yugoslavia, despite Yugoslavia's major contribution to a peaceful solution for bosnia, was untenable.

The speaker of the federal parliament's lower house made the statement in a talk with a visiting delegation of the Chinese National People's Congress, headed by congress vice-chairman Wu Jieping [spelling of name as received], the parliament's press service said.

Bozovic urged China to call for the lifting of the so-called outer wall of sanctions, which he said seriously impeded Yugoslavia's economic recovery and international reintegration.

Wu commended Yugoslavia for persevering in its peace policy, despite strong pressures and the sanctions, and said Yugoslavia's international position had been improved thanks to that policy.

He said the Chinese legislature, government and people wanted the sanctions against Yugoslavia to be lifted and Yugoslavia to retun to international political, economic and financial institutions.

The two sides assessed that the traditionally friendly relations between the two countries and their peoples were a basis for the further development of all-round bilateral cooperation and cooperation at the international level.

Wu invited Bozovic to visit China.

Before meeting with Bozovic, the Chinese parliamentarians met separately with the speaker and deputy speaker of the Yugoslav parliament's upper house.

Federal: Belgrade Expects PRC Help in Lifting Blockade

LD1408161196 Belgrade TANJUG in English 1543 GMT 14 Aug 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Aug. 14 (TANJUG)—Deputy speaker of the Yugoslav Parliament's Chamber of Republics Radmilo Bogdanovic said in Belgrade on Wednesday that Belgrade expected China to help in the immediate future as regards the lifting of financial blockade and Yugoslavia's reintegration into all international organizations.

In a talk with a delegation of China's National People's Congress which arived on an official five-day visit to Yugoslavia Tuesday, at the invitation of the Yugoslav Parliament, Bogdanovic thanked Chinese leaders and people for the support lent to Yugoslavia in the past difficult period when the 'international community imposed unheard-of sanctions on Yugoslavia.'

Bogdanovic underscored that China, as a permanent member of the U.N. Security Council, with its policy had helped some issues be resolved in the interest of Yugoslavia.

Bogdanovic informed the visitors that activities were under way in Yugoslavia for the normalizing of political and economic relations with Croatia, and that Yugoslavia expected, after the September elections in Bosnia-Herzegovina, a larger number of refugees to return to the Republika Srpska, the Serb entity in Bosnia-Herzegovina, which he said required assistance by friendly countries.

The latest figures show that more than 700,000 refugees from war-torn areas in former Yugoslavia were registered in Yugoslavia, where they had found shelter.

Speaking about the situation in Serbia's southern province of Kosovo and Metohija, predominantly populated by ethnic Albanians, Bogdanovic said that separatist groups in this province, with support of some foreign powers, were trying to break away from Serbia, using terrorist attacks.

One of these incentives from outside is the opening of a U.S. information centre in Kosovo and Metohija, to monitor alleged violations of human rights of ethnic Albanians, Bogdanovic said.

Congess vice-chairman Wu Jiepieng [spelling of name as received], who heads the Chinese delegation, said that China urged the equality of all countries, but that a number of countries in the United Nations were major

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organizers of the implementation of the blockade against Yugoslavia.

Wu set out his country urged maintaince of peace and stability, and that a small, but strong part of the international community, using various motives, was exerting pressure on developing countries.

Wu added that China especially appreciates that Yugoslavia consistently pursues the policy of peace and independence.

Speaker of the Yugoslav Parliament's Chamber of Republics Milos Radulovic in a separate talk with the Chinese delegation said China's stance towards the crisis in former Yugoslavia testified to the lasting character of 'friendship between the two countries' which 'will continue that way also in the future.'

'China always appreciated our contribution to establishing peace and urged that efforts invested by our country be adequately valued in international forums,' Radulovic said.

Wu set out that China would continue in the future to oppose in the Security Council the implementation of economic sanctions against Yugoslavia observing the principles of equality of all countries.

He thanked the Yugoslav people and government for the care extended regarding floods in China and for their support in resolving the problems in Taiwan and Tibet.

Radulovic announced that a Yugoslav interparliamentary delegation would take part in the 96th conference of the inter-parliamentary union in Beijing from September 16-22.

Federal: Serbian-Montenegrin 'Oil Dispute' Reported

AU1408172096 Belgrade BETA in Serbo-Croatian 1305 GMT 14 Aug 96

[FBIS Translated Excerpt] Podgorica, 14 Aug (BETA)—On the road leading into Podgorica, Montenegrin police blocked 52 tankers owned by Serbian transporters. The tankers were transporting about 1,500 metric tons of oil for the Oil Industry of Serbia (NIS).

Some time ago, Serbian police blocked about 30 tankers carrying oil owned by Montenegrin firms near Pozega and Kosovska Mitrovica. According to unofficial explanations that can be heard in Podgorica, the Montenegrin police action is the Montenegrin Government reply to the blockade of Montenegrin tankers.

The Serbian-Montenegrin oil dispute broke out following the Federal Government's decision to abolish free imports of oil derivatives and to take up the regulated contingent regime. The Serbian Government initiated this decision, which came in force on 15 July, and the Montenegrin Government refused to accept regulations on oil imports in contigents, continuing the practice of free purchases. [passage omitted]

Serbia

Serbia: Milosevic, Swiss FM Call for Normalization of Ties

LD1408150996 Belgrade TANJUG in English 1453 GMT 14 Aug 96

["Pool" item]

[FBIS Transcribed Text] Geneva, Aug 14 (TANJUG)—President of Serbia Slobodan Milosevic and Swiss Foreign Minister Flavio Cotti assessed here on Wednesday [14 August] that all conditions existed for a normalization and promotion of overall relations between the Federal Republic of Yugoslavia (F.R.Y.) and Switzerland.

Both sides pointed out that, as part of the overall relations, particular attention should be paid to the promotion of economic cooperation, bearing in view the fact that the F.R.Y. is the key factor in the peace process as well as in economic relations throughout the Balkan region.

The meeting between Milosevic and Cotti, who also chairs the Organization for Security and Cooperation in Europe, took place after a working luncheon hosted at Geneva's Intercontinental by U.S. State Secretary Warren Christopher for participants in today's meeting on the implementation of the Dayton agreement.

At the brief and friendly talk between Milosevic and Cotti, in which Yugoslav Foreign Minister Milan Milutinovic also took part, the questions pertaining to the implementation of the Dayton peace agreement were also considered.

Milosevic advised Cotti about the curent situation in the area of the former Yugoslavia as well as about the course of today's meeting in Geneva.

After the working lucheon, the Geneva talks resumed in the American mission at the United Nations. In progess are bilateral talks dedicated to the implementation of the Dayton peace agreement, mutual relations, the functioning of the Muslim-Croat Federation and the elections in Bosnia.

Participating in the Geneva meeting, in addition to the Yugoslav delegation headed by President Milosevic, are the delegations of Croatia, headed by President Franjo Tudjman, leader of the Bosnian muslims Alija Izetbegovic, while the Republika Srpska (the Serb entity

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in the BiH) is represented by Foreign Minister Aleksa Buha.

Serbia: Opposition Lauds Milosevic-Tudjman Meeting

LD1408165196 Belgrade TANJUG in English 1619 GMT 14 Aug 96

[FBIS Transcribed Text] Belgrade, Aug 14 (TANJUG)—Opposition parties in Serbia favourably assessed on Wednesday [14 August] the recent meeting between President of Serbia Slobodan Milosevic and Croatian President Franjo Tudjman in Athens and the announced normalization of relations between the Federal Republic of Yugoslavia (F.R.Y.) and Croatia.

Representatives of the parliamentary opposition party the Civil Alliance of Serbia (GSS) assessed at a news conference here that what the announcement on the talks between Presidents Milosevic and Tudjman presented was encouraging.

'The stands presented in the announcement show that big strides are being made ahead towards the normalization of relations between the two states,' said member of the GSS Main Board Konstantin Obradovic.

Representatives of the non-parliamentary Democratic Centre (DC) party also welcomed the soon normalization of relations between Belgrade and Zagreb.

'We ae looking forward to normalization of relations with Croatia just as with other states in the area of the former Yugoslavia,' said Chairman of the DC Executive Committee Boro Kuzmanovic.

Kuzmanovic underscored that the normalization of relations would 'have to presume also the normalization of life of citizens in these areas.'

As he put it, the normalization of relations must ensure the complete security of citizens, the freedom of movement, the return of refugees, and also the protection of property of Yugoslav citizens in Croatia.

About the forthcoming elections in Bosnia and Herzegovina (BiH), Kuzmanovic evaluated that the demands for equal conditions were just. Such demands are daily laid out by the opposition parties in the Republika Srpska (RS), the Serb entity in the BiH.

Serbia: Milosevic Said To Support 'Painless' Privatization

AU1408202696 Belgrade BETA in Serbo-Croatian 1335 GMT 14 Aug 96

[FBIS Translated Excerpt] Belgrade/London, 14 Aug (BETA)—Serbian President Slobodan Milosevic has told members of the Board of Directors of the British National Westminster Bank that Serbia will soon privatize its PTT [postal-telephone-telegraph] services, and shortly afterward the oil, natural gas, and coal industries, and following that, the electricity industry, well-informed Belgrade sources claim. "In Serbia, privatization is the priority," Milosevic told Douglas Hurd and Pauline Neville-Jones during a working breakfast on 24 July, a meeting that the Yugoslav media reported nothing except a terse announcement.

According to BETA's sources, theater director Ljubisa Ristic, who is also president of the extraparliamentary coalition of the Yugoslav Left (JUL), also attended the breakfast. The director of the JUL Directorate is Milosevic's wife, Mirjana Markovic. It is not known what role Ristic played at these talks. [passage omitted]

According to BETA's sources, Milosevic said he opposes a general privatization, but is of the opinion that it should be carried out faster in sectors where it would be "painless," that is, without corruption from any side. [passage omitted]

Serbia: Article Says CIA, DIA, NSA Present in Area

AU1508104596 Belgrade POLITIKA EKSPRES in Serbo-Croatian 10 Aug 96 p 5

[Second of two installments of an article by Dejan Ristanovic: "Collaborators for Disposal"]

[FBIS Translated Text] "After the fall of the SFRY, a conference on intelligence work in the newly created conditions was held 9 and 10 April 1992 in Sofia, the goal of which was very interesting," said Lieutenant Colonel Dusko Vilic, intelligence exper. The goal of the meeting, attended by representatives of 23 countries, including William Colby, then head of the CIA (who died recently under dubious circumstances), was to introduce the newly created regimes into the former socialist countries and dissolve the network of collaborators in the already destroyed secret services. In other words, the goal was to weed out the system.

Absolute Masters

In our case, this had an impact on the well-known case of Bogoljub Pejcic, then chairman of the Committee for Security in the Assembly of Serbia, who asked, on behalf of his party, for public access to all the lists of collaborators of the State Security Service.

"Naturally, this request was repeated several times in public by Vuk Draskovic, leader of the SPO [Serbian Renewal Movement], but in fact, that was being done for the benefit of the CIA. In this case, however, our

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agents reacted in the right way and prevented that exposure," Vilic said.

A typical example of our local stupidity was the trial of the persons involved in the affair called "Opera."

"I would say that, due to the carelessness of some of our highest officials in the KOS [Counterintelligence Service], we exposed a list of our collaborators, which no serious service should stand for," Vilic said.

Thus, Yugoslavia found itself in an absurd situation. Parallel to the growing strength of foreign secret services, its own secret service was being undermined. We ask ourselves whether it is at all possible to fight against foreign espionage and in what way.

Can Anything Be Done?

"Not much can be done at this point. The CIA and the BND are the absolute masters on this territory. Keeping in mind our international position, economic ability, and all the other calamities that have befallen us, no one would dare declare an ambassador persona non grata, or arrest or try someone. This is not the case just now; it began after Tito's death. Someone like Zimmermann, who more than deserved to be declared undesirable, was not expelled because the balance between East and West had simply been destroyed. If it had not been for that, then perhaps we could have taken such a measure," Vilic said.

In our entire postwar history, only U.S. Ambassador Silberman was expelled from the SFRY in the 70's because of his open animosity toward Yugoslavia and Tito himself.

"He was against Yugoslavia's augmented role in the United Nations, which Yugoslavia had owing to the support of about 100 members of the Nonaligned Movement, and the ceremonialism that accompanied the international activity of J.B. Tito, so our president simply told the State Department to remove Silberman. That was the only big shot, all the others, around 60 of them, were regular agents and, on various occasions, they were arrested and tried in municipal courts with as little publicity as possible," Vilic said.

How To Renew the Work of the Services

It seems that our country failed at the time when between 50 and 120 expelled Western and Eastern diplomats were being exchanged in Berlin.

"We were observing that without any reaction. Later, when the Berlin Wall fell, it was too late. Now, after everything, it will take a lot of time and effort to renew all the functions of our secret services. And, in the meantime, there is no doubt that the Americans will endeavor to completely destroy our secret services, which is a direct blow to the country itself."

The fact that in Bosnia the Americans have installed the strongest intelligence network since the "Desert Storm" operation shows that they are not joking.

"They are trying out their latest concepts and weapons there. They are directly present in Macedonia [Former Yugoslav Republic of Macedonia—FYROM], Croatia, and Albania. Their secret services have got a grip on Tudjman, Izetbegovic, and Gligorov, and these rulers-vassals will have to do a lot to prove their loyalty, or else many bad things could happen to them. It will not be difficult for the CIA to destroy them. The CIA has announced the possible publication of documents that show Izetbegovic is responsible for many of the grenades and projectiles that fell on Sarajevo," Lt. Col. Vilic concluded.

[Box, p 5]

Psychotronic Weapons

The Americans have used the war in the former Yugoslavia to try out their most modern weapons.

"It sounds incredible, but it is true, that, during the aggression on Knin, the RSK [Republic of Serb Krajina] soldiers manning artillery guns simply slept through the entire operation. It is unclear why they were not awakened by the thundering sound of 2,000 Croatian grenades unless they had been exposed to some new psychotronic weapon that belongs to the Americans," Vilic said.

"Something similar happened recently near Doboj. The chickens started dying and the grass and the trees began to wither because when the American and allied planes flew over that region, they dropped some mysterious liquid. They also dropped bombs, like the one in Brcko. It is incredible that planes carry bombs on routine flights. The Croats will soon see to what extent their Adriatic Sea is full of bombs because what was not dropped on the hills of Bosnia was unloaded into the Croatian part of the Adriatic," Vilic said.

[Box, p 5]

"Delta" Teams

All three U.S. secret services are present in Bosnia: the CIA, the DIA, and the NSA. "Delta" teams (special units called "Delta Forces") are also here. That is why it was no surprise when they announced that these teams will attempt to seize Serb leader Radovan Karadzic.

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If anything like that happened, it would create concern among the puppet leaders because the alleged apprehension of Karadzic could merely be a practice run for the arrest of Tudjman, Izetbegovic, or some third person.

Montenegro

Montenegro: LSCG Says Bulatovic 'Has No Influence'

AU1408205396 Belgrade BETA in Serbo-Croatian 1137 GMT 14 Aug 96

[FBIS Translated Excerpt] Podgorica, 14 August (BETA)—The Liberal Alliance of Montenegro (LSCG) stated today that while Montenegrin "President Bulatovic is organizing festive parties and receptions for immigrants," the presidents of Serbia and Croatia are "deciding on the borders of Montenegro."

In its statement, the LSCG says that "Bulatovic, satisfied with the Athens agreement, is even refusing to comment on the results of the Milosevic-Tudjman talks."

"Bulatovic was obviously sincere when he recently said that he did not known what he was doing, but now he does not even know what he is saying. Only a few months ago, he promised an agreement with Croatia on Prevlaka. Nothing will come of it, because Bulatovic has no influence on political events regarding Montenegro," the LSCG said. [passage omitted]

Kosovo

Kosovo: KIC Reports Serb Police Mistreating Albanians

AU1508110096 Pristina KOSOVA DAILY REPORT in English 13 Aug 96

[FBIS Transcribed Text] Pristina KOSOVA DAILY REPORT in English No 943 on 13 August carries various reports on ethnic Albanians being harassed and maltreated by the Serbian police in Kosova.

It is reported that the Serbian police "beat up severely" an Albanian resident in Junik. The Albanian told the Kosova Information Office (KIC) that on 12 August "he was halted on the street and beaten up severely by the Serbian police." The Albanian also asserted that while he was travelling with his friend, they "were halted by the police," who "started beating" them "for no reason whatsoever."

"After having checked my car, the police asked me if I had visited Albania. I said I had been in Albania twice in a legal way, but they started beating me up again, allegedly for having visited Albania illegally," the Albanian told the KIC. He also said that "he was hit by all the policemen" of that patrol. The KIC confirmed that the Albanian "was inflicted grave body injuries."

Sources in Mitrovica note that, over the past few days, the Serbian police "for the sixth time in a row" have "raided" the household of an Albanian resident in Mitrovica, currently a guest-worker in Germany. It is reported that the Albanian family has been "under persistent police ill-treatment for no reason whatsoever."

On 8 August, two Serb policemen detained an Albanian resident in Mitrovica, who was "taken to the Serbian police station" in Vucitrn and "was subjected to severe physical torture." Before being released, the Albanian "had his ID seized" and "ordered to report back and bring with him a weapon he was allegedly in possession."

Sources in Podujevo say that the Serbian police detained an Albanian resident in Obrana village in Podujevo and took him to the Serb police station at "Kodrave e Trimave" quarter in Pristina. The Albanian was "threatened" he "would be facing further consequences if he reported the case."

Kosovo: Albanian Parties Deny Serb Police Chief's Accusations

AU1408103196 Pristina KOSOVA DAILY REPORT in English 12 Aug 96

[FBIS Transcribed Text] Former Serbian chief policeman, Radmilo Bogdanovic, known by vocation as a notorious anti-Albanian, has declared Albanians guilty for the recent terrorist acts and incidents in Kosova. In conformity with some pattern of a communist political state, a pattern sponsored by Bogdanovic also, the Serbian regime continues to declare Albanians guilty for anything taking place in Kosova, even for the grave collapse of the Serbian policy there. The Albanian and international public opinion has been repeatedly informed that the Kosova leadership, and all political parties, including LDK [Democratic League of Kosova] as the largest political party, have always denounced and will continue to denounce any terrorist act, no matter who the perpetrators are. This is neither a calculation nor an attempt to create room for political manoeuvres, but it is a consistent position of the Kosova leadership. However, the Kosova leadership, being conscious of the Serbian regime's inclination to morbid accusation, has repeatedly warned that the recent terrorist acts and killing have been carried out in order to discredit and eventually incriminate the Albanian non-violent and democratic movement in Kosova, which has been acknowledged, and has gained lots of credit in decision-making political centers.

Owing to its commitment to non-violence and peaceful resistance, and to an open and democratic activity with lots of sacrifice, the people of Kosova under the

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leadership of Dr. Ibrahim Rugova have made lots of friends and supporters throughout the world, especially in U.S.A. and some EU countries, and the question of Kosova has been internationalized. This, of course, does not please Serb extremist circles, where, no doubt, Bogdanovic belongs. Terrorist moves in the aftermath of the Dayton Accord, and immediately after the opening of the USIS Office in Prishtina [Pristina] are not accidental. The Albanian political parties and Kosova leadership, for known reasons, are not in the position to discover the authors of these acts.

On the other hand, the Serbian regime and its police have been widely using these incidents as a pretext for a mass ill-treatment of innocent Albanians. It is indicative that the Serbian police has for months failed to discover perpetrators of these acts in Kosova. Instead of arbitrarily declaring Albanians and their peaceful leadership guilty for these acts, former chief policeman Bogdanovic should search for the perpetrators among his own political and police circles.

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